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# FINANCIAL TIMES

No. 27,075 Friday September 17 1976 \*\*10p

## NEWS SUMMARY

### Equities and gilts weaken; gold up

**By Michael Blenden**

GILTS had a further setback with the Bank of England call for additional special deposits. Losses ranged to 3 and the FT Government Securities Index fell 0.15 to a new low for the year of 59.37.

EQUITIES fluctuated narrowly, with trade extremely thin. FT 30-Share index rose on hopes of a seaman's settlement, fell on the special deposits move and recovered a little on cheap buying to close at 235.5, off 0.4.

COCOA prices continued to drop. The December position fell 52.75 to \$1,462.5 a tonne, 52.5 below Tuesday's peak.

STERLING closed at \$1.7380, a gain of 30 points on the day. Its trade-weighted depreciation narrowed to 41.3 (41.7) per cent; dollar's narrowed to 2.84 (2.96) per cent.

GOLD rose \$3.00 to \$115.25 after the IMF gold auction. Back Page

WALL STREET rose 8.64 to 987.55.

U.S. MONEY SUPPLY: M1 \$304.1bn. (\$305.5bn.), M2 \$715.9bn. (\$717.4bn.); commercial and government bonds up \$85m. (up \$22m.); federal funds 5.32 (5.35) per cent; 90-119 day paper 5.38 (5.38) per cent.

### Bank tightens policy by calling £350m. special deposits

**By Michael Blenden**

The Bank of England yesterday tightened its monetary policy further by calling an extra £350m. of special deposits from the banks and finance houses.

The move, which followed Friday's 11 per cent jump in minimum lending rate to 13 per cent, was officially presented as a precautionary measure to neutralise part of the high level of liquidity in the banking system. It was seen as part of a policy of head-on monetary growth which could contribute to renewed inflation.

The move was expected to make a substantial immediate impact on the ability of the big banks to meet customers' need for finance, within the terms of the current official guidelines. The banks yesterday argued that they have ample liquid funds available and should have no difficulty in providing increased advances.

The Bank of England put the move firmly in the context of domestic monetary policy by referring to the high level of liquidity in the banking system. The banking system as a whole showed a reserve asset ratio of 16.1 per cent in mid-August, against the minimum 12.5 per cent, a figure which seemed unlikely to have fallen in September.

The move was also expected to have other effects which will be helpful to the authorities. It should reinforce the rise in interest rates levels and help the Bank to make further sales of gilt-edged stocks to finance the Government borrowing requirement. And it could help overseas confidence in sterling as a further sign of the authorities' determination to control inflation.

The news helped to sustain an improvement in sterling. The pound has been left to float freely with no official support for nearly a week. With the help of encouraging news on the seamen's dispute, it picked up yesterday from the low levels reached on Wednesday.

After reaching its highest level for the day of around \$1.7455, the pound slipped back later to close at \$1.7380 for a gain of 30 points. Its average depreciation from December figures, for mid-August, are due on Monday and on the evidence of the clearing bank statistics the special deposits call is not expected to have any effect on the pound's value.

### German expert to examine crippled blastfurnace

**By Roy Hodson**

A SENIOR engineer from Dillinger-Werke, the Wiesbaden-based maker of the refractory bricks used in the crippled blastfurnace at Llanwern, South Wales, was on his way from Germany last night to investigate the causes of the furnace shutdown.

Meanwhile, the British Steel Corporation, faced with one of the biggest technical production crises in its history, is making emergency arrangements to import Continental steel while the furnace is out of action.

Orders have been placed in Holland. Steel slabs will be arriving at Llanwern together with it is expected—some steel coils. During the total period of 18 days when the blast furnace is out of action the loss of iron will be 50,000 tons. The only way to make up for that loss and keep the steel sheet production mills at Llanwern rolling is to feed semi-finished steel into the works.

In addition to imported steel BSC has contingency plans to switch large quantities of semi-finished steel to Llanwern from its other mills.

The import bill and the transportation around Britain of thousands of tons of semi-finished steel is going to make the operation of the furnace a costly one. But BSC feels that it has no alternative. The output from Llanwern of cold reduced steel sheet for the motor industry and domestic appliances in

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### Pound has floated freely for week

**By Samuel Brittan**

The sterling exchange rate has been freely floating without any major official intervention for over a week. Since the authorities stopped supporting the pound at the unofficial \$1.77 floor on September 9, the pound has been allowed to find its own level on the foreign exchange market.

This is seen by policy makers as an important change. The U.K. has not had a freely floating exchange rate since the mid-1950s. The exchange rate regime since July 1972, has been a managed float in which the authorities have operated in the market in an attempt to keep sterling within target ranges.

No decision has been made on how long to continue with the new policy, but the options open to the Government are very limited. The capital account is giving even more concern than the current payments deficit. Whitehall policy-makers cannot continue indefinitely to finance an adverse overall foreign balance of the order of £2.5bn. which was registered in the first half of this year and which was especially great in the second quarter.

During the week of free floating the pound has fallen by over 3 cents against the dollar and about 2 points against the offered weighted average of currencies. During this period the authorities have relied entirely on internal measures, such as the rise in Minimum Lending Rate and the call for special deposits to protect the pound.

The decision to stop intervening in the foreign exchange market was triggered by fears of a seaman's strike. But the underlying reason was the large amounts of foreign exchange already expended to defend the sterling rate. Apart from direct reserve losses, over £1bn. has been drawn from the IMF in the first half of the year and over £500m. raised by public sector Eurodollar borrowing. There have been known drawings of £500m. on the Central Bank credits in June; and market sources believe that over £200m. was expended from the reserves in early September.

This rate of support would soon have exhausted the resources available. If the experiment in free floating leads to unacceptably low rates for sterling, the most likely response is recourse to the IMF, sooner rather than later.

The prospect of an IMF application has strengthened the advocates of tighter monetary policies in London.

### Plans drawn up for more industry aid

**By Adrian Hamilton**

THE GOVERNMENT is preparing to increase direct assistance to industry by a further £200m., largely in the form of selective assistance under Schedule 8 of the Industry Act.

Its plans, due to be announced by the Industry Department in about two months' time, are believed to include:

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With these programmes, the Government may also announce a re-think of regional aid and the sums involved in selective assistance to companies in assisted areas. Details of the programmes are still under discussion in the Department, but they are thought to develop policy of moving away from blanket assistance to industry in the regions and from sudden and dramatic rescue cases. Now, schemes will be deliberately selected with the aim of encouraging particular types of investment, wherever they might be located.

After the success of the accelerated investment scheme, designed to induce companies to bring forward investment plans otherwise shelved, the Department is now anxious to create a successor scheme—this time aimed at particular export industries and from sudden and dramatic rescue cases. Now, schemes will be deliberately selected with the aim of encouraging particular types of investment, wherever they might be located.

The build-up of selective aid comes partly in reaction to the dramatic scale of rescue operations in which the Government has been embroiled for the last two years.

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### PRICE CHANGES YESTERDAY

Prices in pence unless otherwise indicated

RISES	FALLS
Oil, Dtd. 200 + 5	Treas. 12pc 1985-89 590 -
Oil, Peterborough 294 + 3	Bilston (Percy) 131 -
Oil, Amp. 210 + 6	Covenham 84 -
Oil, Enkamp (A.) 210 + 3	Charles (David) 80 -
Oil, Enkamp (B.) 210 + 3	Durley Steel 80 -
Oil, Enkamp (C.) 210 + 3	Friedland Doreart 50 -
Oil, Enkamp (D.) 210 + 3	Grindlays 38 -
Oil, Enkamp (E.) 210 + 3	Pratt (P.) 150 -
Oil, Enkamp (F.) 210 + 3	Warford Inva. 210 -
Oil, Enkamp (G.) 210 + 3	United Newspapers 210 -
Oil, Enkamp (H.) 210 + 3	Posidon 90 -
Oil, Enkamp (I.) 210 + 3	RIZ 133 -
Oil, Enkamp (J.) 210 + 3	Union Crp. 185 -

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## Air France Concorde.

The rest will follow.

We started with Rio. Within months we'd added Caracas and Washington to the Air France Concorde network. There's also a special Rio-Sao Paulo connection.

And soon the rest of the world's important cities will follow, because Air France Concorde provides a viable, wanted and valuable commodity: the fastest passenger transport available.

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2  
LOMBARD

# Waiting for the boom

BY PETER RIDDELL

MR. DENIS HEALEY, the Chancellor of the Exchequer, has had his fair share of luck with the economic indicators this year, but this now seems to be running out. Only two months ago, he could talk, with only a very few dissenting voices, about a "very rapid rate of increase" in manufacturing production and a "vigorous growth" in exports. This provided the appropriate background for his more contentious justification of the spending cuts on the grounds of the need to shift physical resources into industry. The international confidence and monetary ease always looked more important, as is now all too apparent.

## Threadbare

But even on the basis of his own argument Mr. Healey's comments at the end of July are now beginning to look rather threadbare, raising questions not only about the pace of the recovery but also about whether this upturn is different in essence from those of previous cycles.

The latest industrial production and trade figures cast doubt on the more optimistic of the Chancellor's earlier hopes, even if it is hardly possible to be conclusive on statistics evidently so distorted by the changed pattern of holidays, the hot weather and the drought before Denis Howell's incarnation as Pluvius. The traditionally cautious Central Statistical Office is still, however, able to point to the probability of a continuing rise in industrial output in recent months. And even while stressing difficulties of interpretation, the Bank of England Quarterly Bulletin suggests that after a temporary pause, output should continue to expand, though possibly at a somewhat more moderate pace than earlier this year.

But perhaps most significant of all, is yesterday's report of anecdotal evidence coming into CBI regions and headquarters indicating that many companies feel that the pace of recovery is slackening with all that this means for the possibility of a substantial reduction in unemployment.

There have, of course, tended to be alternating phases of general optimism and pessimism this year—and at similar periods of previous cycles—and it is neither safe nor sensible yet to write-off the potential for further recovery. A lot will clearly depend on the rate of growth of the world trade; and despite the pick-up so far, manufacturing output

is still more than 9 per cent below trend—raising even more doubts about the "resources" rather than the clear monetary or confidence need for the spending cuts.

This recovery is certainly proceeding in a different way from the upturn in 1973-74. This is not only because the stimulus has, and is expected to, come from the growth of exports, stock-building and, next year higher investment in manufacturing rather than from the growth of personal and public sector services. Monetary policy is also different, as was highlighted again yesterday with the call for special deposits.

But the contrast is more fundamental as a specific result of the 1973 boom and the 1974 financial squeeze. These experiences have not only produced an obvious effect all round to avoid a repetition of events such as the property boom but have also led to a greater degree of caution on the part of borrowers.

## Mini-upturn

The profits and liquidity created in 1974-75 may have created a "safety first" attitude on the part of companies since they are primarily concerned to protect their profit margins rather than to expand volume. This would be consistent with the sharp rise in export prices since the start of the recent depreciation and the absence of any net deterioration in the terms of trade over the last six months, in contrast with previous falls in sterling.

On this view, the boost so far has come mainly from the end of destocking, while the forecast rise in investment merely reflects a pick-up from a very low base rather than the possibility of a prolonged major rise.

A mini-upturn may be the price we—and the rest of OECD—are having to pay for our rate of inflation. Even if the pessimists are proved wrong and growth is resumed, though possibly at a slower rate than earlier in the year, the implications are hardly reassuring for Mr. Healey.

The prospects for unemployment certainly look grim and though there may be an element of ritual in the TUC reaction to the monthly figures, the pressures for import controls are not going to die away. It looks as if the sooner we are in the avuncular care of the IMF and the better.

## RACING

# Shuffling could win Cup

IN ONE of the most open races in its 170-year history to-day's Burmah/Castrol-sponsored Ayr Gold Cup could fall to any one of the 18 sprinters in the line-up.

In spite of the strong claims of such high-class performers as Roman Warrior, High Award and Sweet Nightingale, 1 believes that the winner will probably come from one of the half-dozen lightweights who have recently been showing signs of returning to winning form.

One in this category is Walter Wharton's tough St. Chad gelding, Shuffling.

Shuffling, a compact, well-proportioned chestnut who has always shown his smartest form in the autumn, ran his best race since last November when chasing home those speedy stablemates Sandford Lady and Delta Song in the Playboys trophy at York on the first of this month.

Always going well, he looked capable of giving the Finkton pair plenty to do when quickening to challenge a quarter of a mile from home. However, he failed

to produce the necessary pace inside the final furlong and was comfortably held in third place.

Shuffling, who might have given the much improved Sandford Lady plenty to think about, had the ground not been riding

Gold Cup with Roman Warrior and the talented Persian Breeze, the course's leading trainee, Nigel Angus, should clock up at least one success because Disc Jockey and Haffa Court both appear as likely winners.

Disc Jockey, who found no difficulty in opening his account at the second time of asking when easily disposing of the favourite, Red Seed, in the Sandgate Stakes at Newcastle three weeks ago, ought to have few problems in the Cople Stakes but Main Court will find Confessor a formidable opponent in the Ladbroke Stratclyde Handicap.

For Eddery, who has opted in favour of Newbury, where his best prospect seems to be Steven Barrows' representative Night Before in Division I of the Becham Maiden Stakes.

Night Before, a bay colt by Vaguely Noble out of What A Pleasure's half-sister, Quick Flight, has improved considerably as a result of his initial outing in York's Acorn Stakes and appears as the day's best bet.

## AYR

2.00—Show Stealer  
2.30—Disc Jockey  
3.05—Shuffling  
3.35—Main Court  
4.05—Night In Town  
4.35—Rowe Residence  
5.05—Scorpion Girl

## NEWBURY

2.00—Night Before  
2.30—Kellystown  
3.00—Selling Along  
3.30—Star Walk  
4.00—Moving Isles

on the fast side of good, will be suited ideally by to-day's yielding conditions and appears as a sound each-way proposition.

Whatever his fate in the Ayr

## SALEROOM

## BY ANTONY THORNCROFT

# Glass and china sold

SOTHEBY'S BELGRAVIA held an extraordinary successful auction yesterday, selling European glass and Continental ceramics for £68,940, with almost every lot going. The high prices were mainly attributable to the strong bidding from both the Japanese, and an Iranian dealer.

The top price was the £2,500, almost three times the estimate, for a large Berlin plaque painted by Zapf in Dresden in 1875 and showing a girl with a cockatoo.

The glass was also in demand—a mid-19th century Bohemian overlay vase went to the Iranian buyer for £2,200, against the auctioneer's forecast of £250-£300. He also paid £1,350 for a silvered and gilt decanter, and tumbler, of the same period.

The exceptional prices extended right across the auction and even included earthenware, rarely sold at Sotheby's. A 4½ example of the demand for large pairs of Meissen figures of the late 19th century were sold to a London dealer for £1,450. A year ago a very similar pair fetched £400.

At Stanley Gibbons, the second day of a three-day auction of Great Britain stamps added a further £30,000. An unused marginal block of 18 Penny Reds sold for £500, the same as in the year of issue, and a block of four Twopenny Blues on a letter made £480.

Christie's does not start auction at its main King Street saleroom until the week after next, but it is busy at South Kensington, and yesterday a sale of dolls and toys produced a very good total of £15,629, around £4,000 more than was expected.

The highest price was the £500 (as against an extremely modest estimate of £15-£25), for a hundred 18th-century playing cards, as well as some Victorian cards.

A clockwork model of a liner more than doubled its forecast at £520.

## Post Office slims postcode directories

SLIMMER postcode directories to be introduced by the Post Office will cut the shelf space required for a complete set of directories by one-third—from 11 metres to one metre.

The first directories will appear towards the end of the year for the Enfield, Newcastle, Twickenham and Watford areas and will be introduced throughout the country as existing books fall due for renewal.

The yellow-page sections which list businesses and other large users of the post under the name of the town in which they operate will be amalgamated into one alphabetical list for the whole directory.

Alterations in page size in international and A4 standard and more modern typographical layout will allow more entries to a

page and the new books will be cheaper to produce.

Postcode directories are supplied free to businesses and large users of the post, and are available at main post offices and many public reference libraries.

## Naturalisation to cost £70

IT WILL COST more to become British from October 1 when the Home Office puts up naturalisation fees for foreign nationals from £40 to £70.

Fees for registration as a U.K. citizen go up from £10 to £25 or £35.

The fees were last increased in April last year.

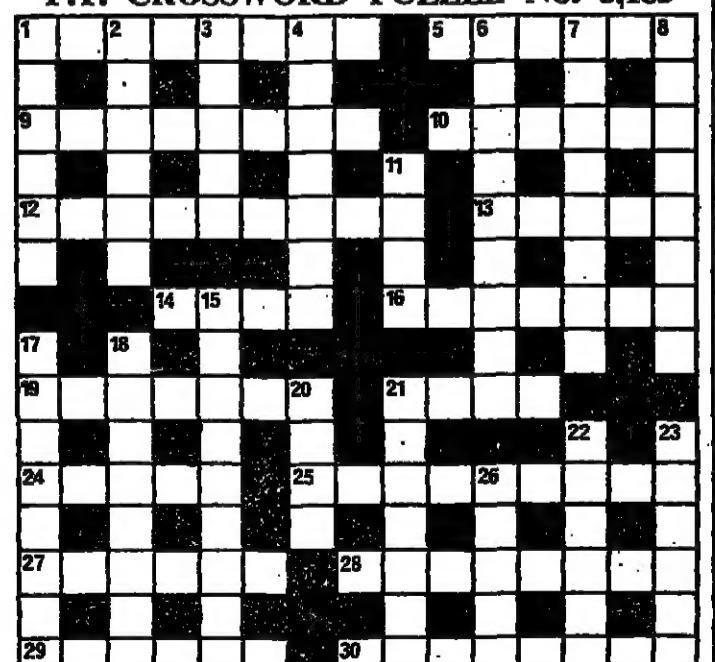
## TV/Radio

### BBC 1

† Indicates programme in black and white  
7.55 a.m. Open University (UHF only). 12.45 p.m. News. 1.00 Pebble Mill including Dig This. 1.45 Camberwick Green. 3.20 Meddler Nhw. 4.35 Regional News (except London). 5.55 Play School. 6.30 The Wombles. 6.55 Jackanory. 7.40 Why Don't You...? 8.10 The Singing Ringing Tree. 8.35 Noah and Nelly in SkyArk. 8.40 News. 8.55 Nationwide. 9.45 Sportswide. 10.05 Tom and Jerry. 11.10 It's a Knock-out.

8.30 The Good Life. 9.00 News. 9.25 Harry O. 10.15 To-night. 10.45 Weather/Regional News. 10.47 The Friday Film: "The Adventurers." All Regions as BBC 1 except at the following times: Wales—1.45-2.00 p.m. Nant-y-Pant. 5.55-7.05 Wales To-day. 7.10 Reddell. 7.30 The Elly Queen Whodunnit. 8.20-8.30 Beauty is in the Eye. 10.15 Kane on Friday. 10.45-10.47 News and Weather for Wales. Scotland—5.55-7.05 p.m. Report. 7.10-7.15 News. 10.15 Wodehouse Playhouse. 10.45-10.47 News and Weather for Scotland.

### F.T. CROSSWORD PUZZLE No. 3,185



- ACROSS
- 1 Trains the first of them to make packing-case (5,4)
  - 2 Chap taking time to control (6)
  - 3 Being impractical I trade just one way (8)
  - 4 One was dead? No, just clean (6)
  - 5 ... and cleaner the French disrobe (9)
  - 6 Singer in Lenten Oratorio (5)
  - 7 Link making me take notice (4)
  - 8 ... and look at side indicated for loss of liquor (7)
  - 9 Caught second-mentioned making a noise (7)
  - 10 Soldiers get note and charge (4)
  - 11 Left and dined right afterwards (5)
  - 12 Scheming to produce part of a meal one way (9)
  - 13 ... and stir up to make it (6)
  - 14 Working hard and engaging in corrupt practices (8)
  - 15 Agrees to change the lubricant (6)
  - 16 Looked all over for listener caught in shed (8)
- DOWN
- 1 Dally with a sweet (6)
  - 2 The way to a meeting place (6)
  - 3 Oriental in wrestling grip could be sunk (5)
  - 4 Slop for a time for us to come up and pay out (7)
  - 5 Separate people start taking rooms (8)
  - 6 Capitalist gets one then I get one (8)
  - 7 Signs for one dress to be altered (8)
  - 8 Employ us to take directions (4)
  - 9 Go in before it is uncomfortable inside (9)
  - 10 Climbing round capital of Denmark and getting into hot water (8)
  - 11 Soft item or a little hard piece (8)
  - 12 Regret admitting duke and being discourteous (4)
  - 13 Book a place for game (7)
  - 14 Camper's shelter shows distress with cold and hunger (6)
  - 15 Put on all-male edition (6)
  - 16 Proposal of iron resistance (5)
  - 17 SOLUTION TO PUZZLE No. 3,184
  - 18 TRANSPIRANCIES
  - 19 RELAY
  - 20 KATISMA
  - 21 SPOT
  - 22 MASTERMAN
  - 23 RELAX
  - 24 PARRAGG
  - 25 AK
  - 26 LOSESTHRECORD

## BBC 2

6.40 a.m. Open University. 9.30 Liberal Party Assembly. 11.00 Play School. 11.25 Liberal Party Assembly, further coverage, and at 2.00 p.m. The afternoon's debates. 5.00 Open University. 7.05 Animal Marvels. 7.25 Weather. 7.30 News. 7.50 Settle the Score. 8.30 Centre Play Showings. 9.00 Post Black. 9.20 Beethoven: the Late. 10.15 Five Red Herring. 11.05 Newsnight. 11.30 Closedown: John Rye reads "Little Peace" by Elizabeth Jennings.

## LONDON

10.00 a.m. Hammy Hamster's Adventures on the River Bank. 10.15 Animated Classics: "Kidnapped." 11.00 Liberal Party Assembly. 11.30 Quiz. 12.10 p.m. Nister Trumble. 12.30 Tell Me Another. 1.00 News, plus Weather, FT index. 1.20 Lunch-time Today. 1.30 Market Personal. 2.00 Good Afternoon Money-Go-Round Special. 2.25 Racing from Ayr. 3.50 Emmerdale.

## RADIO 1

6.00 a.m. Ayr Radio 2. 7.00 Noel Edmonds. 8.00 Tony Blackburn. 12.00 Paul McCartney. 12.30 News. 1.00 Ed Stewart. 1.30 John Peel. 2.00 Noel Edmonds. 2.30 Noel Edmonds. 3.00 Noel Edmonds. 3.30 Noel Edmonds. 4.00 Noel Edmonds. 4.30 Noel Edmonds. 5.00 Noel Edmonds. 5.30 Noel Edmonds. 6.00 Noel Edmonds. 6.30 Noel Edmonds. 7.00 Noel Edmonds. 7.30 Noel Edmonds. 8.00 Noel Edmonds. 8.30 Noel Edmonds. 9.00 Noel Edmonds. 9.30 Noel Edmonds. 10.00 Noel Edmonds. 10.30 Noel Edmonds. 11.00 Noel Edmonds. 11.30 Noel Edmonds. 12.00 Noel Edmonds. 12.30 Noel Edmonds. 1.00 Noel Edmonds. 1.30 Noel Edmonds. 2.00 Noel Edmonds. 2.30 Noel Edmonds. 3.00 Noel Edmonds. 3.30 Noel Edmonds. 4.00 Noel Edmonds. 4.30 Noel Edmonds. 5.00 Noel Edmonds. 5.30 Noel Edmonds. 6.00 Noel Edmonds. 6.30 Noel Edmonds. 7.00 Noel Edmonds. 7.30 Noel Edmonds. 8.00 Noel Edmonds. 8.30 Noel Edmonds. 9.00 Noel Edmonds. 9.30 Noel Edmonds. 10.00 Noel Edmonds. 10.30 Noel Edmonds. 11.00 Noel Edmonds. 11.30 Noel Edmonds. 12.00 Noel Edmonds. 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will be  
director

# Apocalypse now

by LOUISE SWEET

Omen (X)  
Odeon Leicester Square  
Point (X) Rialto  
Do It Again (U)  
Warner West End  
Y'a National Film Theatre  
Bonus  
National Film Theatre  
A Nights in Japan (A)  
ABC Shaftesbury Avenue

urgent impulse to post-  
ings seems common to most  
s week's films, which set  
cautionary tales with evil  
if not entirely convincing  
ages. But the difference, for  
ple, between Richard Dun-  
The Omen and the Commu-  
Chinese film Huang Yu, about  
voted "barefoot doctor" in  
tain commune, is that the  
er is talking to a society  
has lost faith in the  
al world and in the per-  
bility of man, while the at-  
tistically addresses itself  
audience exactly the oppo-

plete with Giesbrecht  
is, The Omen uses the New  
ment Book of Revelations  
dict the coming of the Anti-  
and thus to flesh out an  
Testament idea of the in-  
ual's capacity for both good  
evil: "The bear with two  
a" is "a lamb who spoke as  
lion." At 6 a.m. on June 6,  
Robert Thorn (Gregory  
, the next U.S. ambassador  
Court of St. James, learns  
his wife Katherine (Lee  
Jack) has given birth to a  
son. A priest presents him  
a new-born baby boy, the  
ring of a woman who died in  
r. And Thorn presents  
the (the pagan Ruse) in  
unknown way as their own  
e boy proves to be a thorn  
e flesh. As the Ambassador's  
advances in what the film  
rides as the troubled sea of  
ice (a time, it is said, ripe  
the coming of the Anti-  
st), little Damien becomes a  
ive symbol of evil, attended  
n enormous guard-dog and a  
ing new governess, Mrs.  
ock (Billie Whitelaw).  
le meet with fatal mishaps.  
e's first nanny jumps from  
ndow in front of the child's  
day guests, announcing her  
de as a gift: "Look Damien,  
or you." A priest who comes  
arn the Ambassador about  
evil in his son is ignored  
his prophecies begin to  
a true.

Since to these events is an  
ally early and news-hungry  
ographer, Jennings (David  
per), whose pictures were  
oped show strange marks  
icting how death will come  
e victims. In this age of  
media, it is the photograph  
the word which chronicles  
wrecks, and ultimately it  
be the photograph which the  
passador believes.  
eding the Priest's cryptic  
ce, he goes with Jennings to  
ancient city of Megiddo, to  
ult with an exorcist, Bugen-  
ra (Leo McKern), about  
the world of Damien.  
a night trip to a cemetery,  
digs up the grave of the  
ding's mother and finds an  
al's skeleton; in an adjacent  
grave he finds the (overly  
s) skeleton of his own  
dered son. Throughout,  
erards churches and homes  
surrounded by high sharp  
ngs, which do little to  
ide evil and seem visually  
s akin to a crown of thorns,  
in the cross on which fool-  
y investigators of the occult  
impaired.  
it this melodramatic recast-  
of Biblical events tends to  
apt flippant interpretations

of its warning to mankind (on  
the dangers of adoption, per-  
haps). Although its real signifi-  
cance seems to be that the  
disillusionment of a credulous  
public shaken by Watergate  
requires a mystical and all-  
embracing explanation for the  
evil in those who officially repre-  
sent good. The idea that the  
temptation of corruption assails  
even the most holy is revealed  
visually in a *doppelganger* effect  
which continually affixes  
shadows and reflections to the  
principal characters. The forces  
of evil are attended by wavering  
before a secret Grand Jury with



Harvey Stephens in 'The Omen'

clerics and loyal servants (the  
President's men) who are given  
to confession after the fact in  
order to diminish their own  
responsibility.

The police safeguard the child  
and, at the film's end, a sly and  
smiling Damien watches his  
parents' funeral is entrusted to  
the care of the U.S. President,  
having moved closer to the seat  
of power and to the fulfilment  
of prophecy. But, predictable  
in script and simple-minded in  
conception, *The Omen's* greatest  
contemporary significance is  
undoubtedly its commercial suc-  
cess with crowds of the curious  
in need of ever more lurid  
Armageddon.

An equally cynical view of  
public authority's ability to cope  
with evil is put forward by  
*Breaking Point*, the uninten-  
tional message of which might  
be: don't stop and assist a victim  
of violence, even if the event  
occurs half a block from your  
home in a posh middle-class  
neighbourhood, and even if you  
hold a black belt in karate and

subject better dealt with in the  
recent *Taxi Driver*. *Breaking  
Point* fatally confuses and  
romanticises its hero's cause as  
frontier-style justice. In an  
environment of more intricately  
constructed institutions, feelings  
of paranoia and malaise have  
thickened to such an extent that  
the vigilante can no longer  
perceive or utilize allies in what  
has become a personal rather  
than a community struggle to  
restore order.

No sharp distinctions between  
good and evil in *Let's do it  
Again* (directed by Sidney  
Pottier) which shows how  
Atlanta milkman Clyde Williams  
(played by Pottier himself) and  
factory-worker pal Billy Foster  
(Bill Cosby) raise \$60,000 for  
their religious Lodge organisation  
by fixing the fights in New  
Orleans.

Following on the Pottier-Cosby  
Uptown Saturday Night, this is a  
zanier, funnier version of how  
good is served by not exactly  
righteous means. Pottier plays  
straight man to a fast-moving  
Cosby, as Clyde uses his talent

## The Entertainment Guide is on Page 10

for hypnotism, learned in the  
Army Medical Corps, to make  
hilariously scrawny Bootney  
Farnsworth (Jimmy Walker) eat  
the hulking Middle Weight  
Champ "40th Street Black"  
(Rodolphus Lee Hayden).

Slick in their capes, satins  
and shades, Clyde and Billy  
continue to curvy competing  
gangland groups and eventually  
clean up even more money for  
charity. As the Elder of the  
Lodge thankfully puts it: "No  
longer do we have to crawl on  
the back roads of no can do, but  
from now on we're riding on  
the freeway of yes we can."  
Positive thinking turns Bootney  
into a tiger and the undaunted  
Billy, barely escaping death at  
gangland's hands, is already  
planning a match between a  
complacent Mohammed Ali and  
a psyched up Sammy Davis Jr.

The struggle between good and  
evil takes a more optimistic turn  
in *Huang Yu*, a film from the  
People's Republic of China about  
a sixteen-year-old, "barefoot  
doctor" who successfully de-  
fests a reactionary medical prac-  
titioner, who over-charges and  
over-looks the poor in his com-  
munity.

The term "barefoot" does not  
so much describe a doctor with-  
out shoes but is symbolic of  
devotion, a willingness on the  
doctor's part to become equal  
with workers and to labour  
long hours. He has, he says, his  
fox in the rice paddies. Since  
the Cultural Revolution of the  
mid-1960's, nearly one million  
doctors have gone to the rural  
areas in an effort to reach an  
enormous and scattered popu-  
lation. *Huang Yu* is a medical  
approach effectively involves the  
community in preventive  
medicine; in using a combina-  
tion of modern and traditional  
methods; and in helping the self  
to gain strength from the com-  
munity.

Making use of brilliant colour  
and a magnificent natural land-  
scape (which is characteristic of  
all the films to be shown at the  
NFT's season of Chinese  
cinema), *Huang Yu* is a combina-  
tion of Confucian and moral  
tale, designed to inspire those

within China to become involved  
in the work of barefoot doctors.  
The more healthy the com-  
munity is the message, the more  
effective it can become in its use  
of labour, here symbolised by  
the building of an intricate irri-  
gation system along the face of  
the giant stone mountain.

Whereas *Huang Yu* has all the  
innocence of the beginnings of  
revolutionary effort, the Soviet  
Union film *The Bonus* is a mas-  
terful demonstration of the  
obstacles which might prevent  
the realisation of a workers'  
community. Based on A.  
Gelman's play, *The Minutes of a  
Meeting*, Sergei Mikaelyan's  
production chronicles the  
refusal of a stolid, modest and  
questioning construction worker,  
Potapov (Evgeny Leonov) and  
his 17 man crew to accept a  
bonus to which they don't think  
they are entitled. Dressed like  
a Brachdian character and  
brimbling, Brecht himself,  
Potapov ignores the jibes of fel-  
low workers on the large con-  
struction site and takes his  
reasons to a meeting of the Cen-  
tral Committee of the Party.

As in the play, all the action  
takes place in the confines of an  
office. In the course of the meet-  
ing, the one-time workers, now  
part of the management, chal-  
lenge Potapov's suspicion of  
being used by others, insult his  
intelligence and threaten him  
with loss of position. He calmly  
and stubbornly undertakes a  
dialectic which allows the well-  
dressed, self-important and  
almost uniform group of  
managers to assume an indi-  
vidual identity and in some  
curious way to consolidate  
rather than diminish the sense  
of group commitment. Potapov  
expresses a motion which exposes  
the fact that the plant has been  
mismanaged, that materials have  
not arrived, and that 400 roubles  
have been lost to each worker  
through idle time and delays.

By focusing on the minutiae  
fashion on the bread and butter  
facts — the objective conditions  
as it were — the film provides a  
complicated exposé of the  
wrangles and cover-ups which  
afflict an organisation powerful  
enough to transform a nation,  
to state-heavy that creative and  
corrective change is jeopardised  
by the very machinery that  
that set the revolution in motion.

For those whose taste runs to  
escape from all question of right  
or wrong, *Let's do it Again* is  
Nigel Andrew is on holiday.



Emile Belcourt and Elizabeth Connell as Herod and Herodias in the revival of the English National Opera's 'Salome' at the Coliseum last night

## New End Fishing

by B. A. YOUNG

Cancer. Michael Weller's first  
play to be seen here (re-named  
*Woolchildren* for America), is  
one of the very few plays about  
hip youth that I can remember  
which took its characters out of  
the world of cliché and plumbed  
the depths of their personalities.  
The final curtain-line, which con-  
sisted of the two most common  
four-letter expletives, was so  
moving that almost for the first  
time I found myself convinced  
of the justification of their use.

Mr. Weller's fishing takes  
similar people a stage further  
in their lives. Here is the scene:  
Bill, a slow-witted, violent-  
tempered young man, lives in a  
run-down cabin on the Northwest  
Pacific coast with his girl Shelly,  
not quite so slow and far more  
sentimental, and Robbie, a friend  
of his own age who wastes time  
on his rich father's money. They  
are visited by Dane, a young  
architect who must seem as  
hippy as Bill to his professional  
friends but who seems very  
square to Bill and Shelly, and  
his wife Mary-ellen, a simple  
but not stupid girl who acts  
childish in an attempt to get on  
equal terms with the others.

Bill, who has previously had  
the idea of farming and trucking  
and growing pot in South  
America but has never followed  
any of these ambitions beyond  
the point of once buying a cow  
and shooting it when it gave less  
milk than he thought it should,  
now intends to buy a boat from  
a local man and take up com-  
mercial salmon-fishing, though  
he has never been in a boat in  
his life. The boat is offered at  
\$1,500 and there is \$21 in the  
bank, but things like that do not  
discourage him.

The play follows this group  
through their activities for a  
single day. The situation is not  
developed far, indeed, although  
the author offers us a slightly  
hurry-edged conclusion, who  
ultimately happens is not of  
much consequence. What gives  
the play its uncommon merit is  
Mr. Weller's insight into his  
characters.

They are all of them from the  
class of young person who not  
only speaks solely in formulae  
but who thinks in formulae as  
well, some of them because they  
have no other capacity, some be-  
cause it is the done thing. More-  
over, during most of the time  
they are under observation, they  
are high on peyote buds that  
Shelly bought at the supermarket  
when she should have been  
buying food.

From such unpromising  
material Mr. Weller has built  
four clear-cut personalities and  
nor did they make much effort

explored their behaviour with  
such understanding that by the  
play's end they are as vivid and  
as sharply contrasted as people  
"by the play's end" because it  
is a deliberately gradual process;  
there is nothing in Robbie's  
sentiment first seems to suggest  
that subsequently he will prove  
intellectually above his friends  
and distressed, deep down, that  
he can find nothing better to do  
in life than idle away on pater-  
nal charity. You wouldn't know  
from that scene how deep are  
the reserves of brutality in Bill's  
nature. Yet later, when these  
things are shown, there is no  
inconsistency; just the reverse,  
in fact, the qualities, on reflection,  
are there, latent, from the  
beginning.

And all this is effected with  
the poverty-ridden commonplaces  
of the American young, spoken,  
it seems to me, with consider-  
able skill, though I wouldn't  
guarantee any kind of phonetic  
subtlety. It is masterly; and it  
is gripping.

Robert Walker and Gwen Tay-  
lor play Bill and Shelly, he gramme.

Elizabeth Hall

## Schubert & Mozart

As they enter their fifth  
season, the English National  
Orchestra seem no nearer to  
establishing themselves among  
the major London orchestras.  
According to a note in the pro-  
gramme for their concert on  
Wednesday, the ENO are prin-  
cipally distinguished from rival  
bands by the fact that a certain  
number of concerts each season  
are given by their "chamber  
section," as was the case on this  
occasion. It is a strange boast,  
that sometimes one fields a  
reduced team. In any event, the  
concert revealed other ways in  
which the ENO are distinguished  
from the better-known orches-  
tras.

To begin with, and this may  
not be surprising, the ENO have  
little corporate style. They are  
a group of players; they play;  
and that is all. It was significant  
showed all the life and musi-  
cality that were so missed in the  
orchestra's contributions, though  
she was not at all a vicious  
Dirk Varendonck, turned with  
some concern to egg them on,  
was an excellent point in her  
material. They did not escape  
passages of dubious ensemble, but  
four clear-cut personalities and  
nor did they make much effort

blockish and crude, she a prey  
to simple sentimentalities that  
can reduce her to tears over a  
dead chicken. Simon Rouse as  
Robbie has the additional task  
of revealing his intelligence by  
degrees; he is particularly good  
in a clever scene set in 1920 so  
thick that people can't see one  
another at 10 feet distance, but  
played, in the manner of *Black  
Mischievous*, with everything to be  
seen.

Dane and Mary-ellen are less  
complex in nature—Mr. Weller  
is adept at the use of two-dimen-  
sional, or two-and-a-half-dimen-  
sional, characters, to show off his  
principals—but they are also  
played by Philip Sayer and  
Pamela Muscatelli. Actual  
two-dimensional characters are  
Rory, a drunk who works in the  
local graveyard, and Reilly, the  
sick old man with the boat for  
sale; they are taken with exactly  
the right amount of colour by  
Peter Attard and John Barrard.

Robert Walker also directs,  
with help from Henry Woolf,  
and there is a simple, atmos-  
phere set uncredited in the pro-  
gramme.

PAUL GRIFFITHS

## International Celebrity Series

The Berlin Philharmonic  
Orchestra, under Herbert von  
Karajan, the Orchestre de Paris  
under Daniel Barenboim, the  
Hungarian State Symphony Or-  
chestra directed by Janos  
Ferencsik, and world-famous  
names from abroad such as  
Claudio Arrau, Yehudi Menuhin,  
Mstislav Rostropovich, Isaac  
Stern, Henryk Szeryng, Itzhak  
Perlman, and Pinchas Zukerman.  
These are just some of the artists  
featured in the 1976-77 Inter-  
national Celebrity Series organ-  
ised by impresarios Ian Hunter  
and Harold Holt, the Orchestre  
de Paris, of which were given  
at a London news con-  
ference yesterday.

In addition to the artists and  
orchestras from abroad, however,  
Britain is strongly represented  
in the series of 20 concerts by  
conductors Colin Davis, Charles  
Mackerras and Vernon Handley,  
pianists John Lill and Alan  
Schiller, violinist Carl Pini—and  
four London orchestras, the New  
Philharmonia, London Phil-  
harmonic, London Symphony, and  
Royal Opera House Orchestra.

The series of eight concerts at  
the Festival Hall begins next  
week with two performances by  
the Orchestre de Paris and Daniel  
Barenboim on September 20 and  
21. These are followed by a re-  
cital of Russian music on October  
8 with Rostropovich playing the  
piano and cello with his wife,  
Galina Vishnevskaya singing  
songs by Glinka, Rachmaninov,  
and Stravinsky. The two violins  
of Itzhak Perlman and Pinchas  
Zukerman are heard on October  
25 and in June next year the  
Berlin Philharmonic conducted  
by Herbert von Karajan will give  
two concerts on June 13 and 15.

The final concert in the Festival  
Hall series will be a recital by  
Claudio Arrau on June 20.  
The series at London's Albert  
Hall begins with an all-Beethoven  
concert on October 3 with the  
London Symphony Orchestra.

Charles Mackerras and John Lill.  
The New Philharmonia give two  
concerts on October 17 and 21,  
first with Perlman and Szeryng,  
and then with Szeryng and  
Handley. November 21 sees the  
arrival of the Hungarian State  
Symphony Orchestra and 1977 is  
heralded by a New Year all-  
Chopin recital by Daniel Baren-  
boim on January 2. Two weeks  
later, on January 15, Rostropo-  
vich conducts the Orchestre de  
Paris in Verdi's Requiem, while Isaac Stern  
plays two concertos with Colin Davis  
and the Royal Opera House  
Orchestra on January 23.

To commemorate the 150th  
year of the death of Beethoven,  
Daniel Barenboim and the Lon-  
don Philharmonic Orchestra per-  
form a cycle of all nine Sym-  
phonies at four concerts—March  
8, 10, 12 and 13, the last featur-  
ing the "Choral" Symphony  
with soloists Jill Gomez, Sandra  
Browne, David Rendall and  
Gwynne Howell, and the London  
Philharmonic Chorus.

First prizewinner at the last  
Leonid Brezhnev Piano Com-  
petition, Russian-born Dmitri  
Alexeev, will feature in the final  
concert at the Albert Hall on  
April 3 playing Chalkovsky's  
First Piano Concerto.  
A series of special concerts to  
celebrate the Queen's Silver  
Jubilee will be held in the week  
June 3-12, featuring Yehudi  
Menuhin and a spectacular mili-  
tary band salute on the 25th  
Anniversary of Her Majesty's  
Coronation.

## Jewish film and television festival

The first World Jewish Film  
and Television Festival will be  
held in Jerusalem from October  
24 to 30. There will be a screen-  
ing of 50 films, a symposium on  
TV and film and an exhibition of  
audio-visual equipment.

## Royal gala at Sadler's Wells

Princess Margaret is to attend  
a ballet gala given by the Royal  
Ballet at Sadler's Wells Theatre  
on Wednesday, September 29.  
Dame Ninette de Valois will in-  
troduce the programme, which  
commemorates the 25th anniver-  
sary of the death of Constant  
Lambert, one of the architects of  
the Royal Ballet. Among the  
artists appearing are Lynn

Seymour, Doreen Wells, Donald  
MacLeary and two guests from  
the New York City Ballet, Vi-  
nette Verdy and Reigi Tomasson,  
who will dance the Balanchine  
*Pas de deux*. The proceeds of  
the evening will go towards the  
building of a rehearsal  
room for the Royal Ballet at  
Sadler's Wells, to be named in  
memory of John Cranko.

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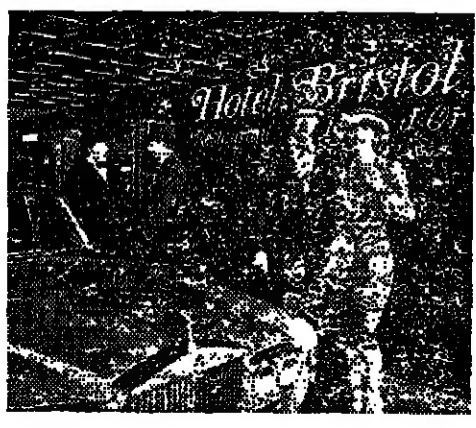
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## WORLD TRADE NEWS

## Japan 'facing crisis' on invisible trade deficit

BY CHARLES SMITH

TOKYO, Sept. 16.

THE GROWTH in Japan's invisible trade deficit since before the 1973 oil crisis has been greater than anything of the kind ever experienced by other major industrial nations and could come to constitute a major economic problem.

This is the judgement of Mitsubishi Bank, one of the top four Japanese foreign exchange banks, which devotes an article to the subject in the September issues of its Journal.

Mitsubishi quotes figures which show that Japan's invisible deficit grew by \$3.47bn. (from \$1.85bn. to \$5.32bn.) between 1972, the last "normal" pre-oil crisis year, and 1975.

The next biggest invisible deficit among major industrial countries is that of West Germany, but the West German deficit grew over the same period by a considerably less alarming \$2.6bn.

Mitsubishi also makes the point that, whereas the West German invisible deficit is equivalent to only about 20 per cent. of the country's surplus on visible trade, Japan's invisible deficit last year was almost equal in value to its trade surplus (\$5.3bn. for the invisibles deficit versus the trade surplus of \$5.8bn.).

In 1971 and 1972 when Japan was running trade surpluses in the region of \$8bn. to \$9bn., the invisibles deficit was of the order of \$2bn. so that the visible surplus enormously exceeded the amount of foreign exchange absorbed out of the country by expenditure on invisibles.

Mitsubishi evidently considers that the shift towards a position of virtual equality between the deficit on invisibles and the surplus on visibles represents a structural change in the Japanese balance of payments which could be exceedingly hard to reverse.

The main reasons for the sharp rise in the invisibles deficit between 1972 and 1975 are cited by Mitsubishi as heavier expenditure on shipping, including in particular a shift towards increased chartering of foreign

vessels by Japanese shipping companies, increased overseas travel by the Japanese (but no real increase in foreign travel to Japan), a swing from a positive to a negative balance on the Overseas Investment Account, and a big increase in the deficit on services.

Taking the shipping account first, Mitsubishi puts the negative balance on chartering and freight expenditure at \$1.98bn. last year compared with \$963m. in 1972. By far the greater part of this increase, the bank reports, comes from increased chartering expenditure where the negative balance grew from \$631m. to \$1.65bn. over the three-year period.

Shipping companies have also been driven into overseas chartering as a means of "getting out of the yen" and thus avoiding exchange risks. A company operating Japanese-registered ships has yen liabilities but continues to earn dollar assets since the greater part of Japan's foreign trade is still denominated in terms of dollars.

Under the heading of investment, Mitsubishi points out that Japanese overseas direct investments are earning a lower rate of profit than foreign investments in Japan (8.1 per cent. versus 14.3 per cent. in 1975). The point is also stressed that the dependence of Japan on short term dollar financing of its imports involved the Japanese foreign exchange banks in punitive heavy interest payments in the period after the oil crisis.

The negative balance on foreign travel in and out of Japan increased from \$573m. in 1972, Mitsubishi reports, to \$1.1bn. in 1975, largely because of a big increase in the number of people travelling outside Japan (up from 1.4m. people in 1972 to 2.4m. last year). The Japanese Government attempted to control overseas travel expenditure in the aftermath of the oil crisis by lowering the ceiling on permissible overseas expenditure per trip.

Mitsubishi says the obvious way to deal with the invisibles deficit is to go on increasing the surplus on visible trade so as to ensure a continuing balance or surplus on current account. The bank admits, however, that Japan's trading partners are probably not prepared to put up with this approach any longer so that other solutions have to be considered.

One possibility is to change the structure of Japan's economy towards the low raw material consuming model typical of European economies including West Germany.

Another need, the bank says, is to continue with the process of internationalising the Yen so that Japanese banks and shipping companies are not forced into expensive transactions involving shifts between different currencies.

A third requirement is to continue "steadily" with overseas direct investment to the point where investments become a source of revenue for Japan instead of the drain on resources it is at present. These and other changes however will inevitably take time so the bank expects continuation of the heavy deficit on invisibles.

## Steel talks

Kobe Steel said yesterday that it would continue negotiating with Abu Dhabi on the construction of a 400,000 tonne annual capacity steel mill in the Emirate, but it declined to say whether it would reduce its proposed compensation for running the mill.

## Iron-ore plan

Canadian Met-Chem, an engineering affiliate of the U.S. Steel Corporation here, and designers of the \$850m. Mount Wright iron project just being completed in north-eastern Quebec, will build a \$800m. open-pit iron ore mine, concentrator and slurry pipeline for the State-owned Kudremukh Iron Ore, near Bombay.

## £3m. sales push for wool suit industry

The London-based International Wool Secretariat is to spend some £3m. on a co-ordinated campaign in major Western countries over the next year aimed at promoting pure new wool suits for men.

The campaign which was launched in London yesterday follows a year's preparatory work by the IWS with leading cloth manufacturers.

The promotion is the biggest undertaken by the IWS since the launch of the woolmark in 1964 and is being backed by a further £1.5m. made available by manufacturers and retailers.

The IWS which is sponsored by the leading wool growing countries is making its move in the belief that current trends are running in favour of a return to more formal wear, particularly among the young.

## Hong Kong quotas

Hong Kong's Department of Commerce and Industry, which regulates exports to countries with which Hong Kong has bilateral restraint arrangements, has made minor changes in its textile quota system following a row over quotas. Critics had argued that some major quota holders were not bothering to manufacture at all, but they just sold their quotas, at a profit.

## Turkey award

Italsurde-Torno has won a contract, valued at £350bn. to build hydraulic bypasses and install the infrastructure at a power station at Karakaya, Turkey.

## Trucks for Angola

Volvo International Development has signed a £170m. contract with the Angolan Government for delivery of 950 heavy trucks and 100 semi-trailers during the 12 months beginning in November.

## Alarm clock duty

The Department of Trade has made an order imposing a provisional duty on imports of mechanical alarm clocks, other than travelling alarm clocks,

from the People's Republic of China. The amount of provisional charge is 90p per clock and is valid for a period of three months from yesterday.

## Brazilian smelter

Nissan Motor has decided to invest in a 320,000 tonne aluminium smelting facility in the Amazon planned by Japanese companies and a major Brazilian partner. The project, which carries an estimated price of \$1.3bn., is one of those Brazilian President Ernesto Geisel is discussing on his current visit to Japan.

## £4m. plant order

Sheepbridge Equipment of Chesterfield, has received export orders for crushing and screening plant, and associated spares worth £4m. from Bangladesh, Iraq, Saudi Arabia and the United Arab Emirates.

## Swiss deficit

Switzerland had a trade deficit of Sw.Frs.325m. in August following a surplus of Sw.Frs.63m. in July and a Sw.Frs.142m. deficit in August last year, according to the Federal Customs Office. This is the first monthly trade deficit since March this year.

## Mineral mission

Riofinex, a wholly owned subsidiary of Rio Tinto-Zinc has been awarded a contract by the Directorate General of Mineral Resources in Saudi Arabia for the establishment of a geological mission. The budget approved for this work during the current development plan amounts to approximately £30m.

## Kenya power deal

Stirling Aistall, the civil engineering concern, is sharing a £24m. contract to build Kenya's Gitaru hydroelectric project with Skanska Cementgjuteriet AB of Sweden. The contract has just been signed with the Tana River Development Company and is the third phase of the Tana River Seven Forks project, which, when completed in 1978, is estimated to cost about £60m. and give an output of 144 megawatts.

## MALAYSIAN INVESTMENT

## Allaying foreign fears

BY WONG SULONG

THE MALAYSIAN Government is good to the private businessman these days. He receives praise for doing a good job for the Malaysian economy, is assured that his investments are safe, and coaxed into putting more money into new ventures.

He finds that official doors are open. From the Prime Minister downwards, and that his problems are given a good hearing.

Datuk Hamzah, Trade and Industry Minister, has visited Europe to open an investment office in Paris, launching a trade exhibition in London, and generally telling European businessmen to come to Malaysia to have a look for themselves.

Instead of stressing "social justice" (meaning a redistribution of wealth in favour of the Malays), the stress now is on creating the more favourable investment climate necessary to economic growth which in turn would allow a smoother progress towards social justice.

Behind this change in attitude there lies the realisation that the private investor is rather nervous about his future in Malaysia, at a time when the country needs him more than ever before.

Malaysia is still one of the best investment centres in Southeast Asia, but with the Communist victories in Indochina, and a growing local insurgency problem, it has become less attractive and has lost some ground to countries like the Philippines and Indonesia.

The Government has already stretched its resources, and with a fairly serious Communist insurgency to contend with, the economic thrust of the Third Malaysia Plan (1976-80) will have to come mainly from the private sector.

The private sector is expected to invest Ringgit26.8bn. (nearly £6bn.) compared to Ringgit9.2bn. during the Second Plan. In addition, the Government hopes to raise Ringgit5bn. from foreign sources for its own investment programmes.

The reaction from the private sector to this target has ranged from mild to outright scepticism. The Finance Minister, Tengku Razaleigh, tells businessmen that they are too cautious. He says that the new investment target represents a 48 per cent. real increase over the last plan, and could be achieved if investment grows by 10 per cent. annually, compared with 7.2 per cent. previously.

However, some signs do not bear out Razaleigh's optimism. Despite the recovery of the economy, as helped by the good commodity prices, the Malaysian bourse is still listless, and private investment so far has not been picking up as fast as expected. To business circles, the recent

change of tune in Government has been very welcome, but they are still cautious. "There is an urgent need for the Government to produce clear policies which are uniformly implemented at all levels of the administration," says Mr. Clive Little, general manager of the Chartered Bank in Malaysia, referring to the fact that ministerial goodwill towards the private sector has not filtered very deep down the bureaucracy.

A lot of damage to investors' confidence had been done in the past two years. "The Government seems to have developed this bad habit of introducing sweeping legislation in Parliament without consulting the interested parties," one industrialist complains.

The Malaysian Government is torn between the introduction of more equitable distribution of wealth and the need to stimulate more foreign investment. The problems of achieving both are formidable.

Such was the manner in which the authorities had handled two important pieces of legislation—the Petroleum Development Act, and the Industrial Co-ordination Act. The Co-ordination Act requires companies to be licensed by the Government.

A new licence must be obtained every time a manufacturer wants to alter the specifications of his products, or to expand into new lines. Apart from the paperwork involved, and the possibilities of delay, there is also a catch: new conditions might be attached to such a licence.

The plan expects new corporate investments to be around Ringgit15.5bn., which is about 10 per cent. of the total amount invested by foreign companies under the Second Plan. In percentage terms, foreign ownership of equity in Malaysian limited companies fell from 87 per cent. in 1970 to 55 per cent. last year. It is expected to slide lower to 44 per cent. by 1980.

Foreign disinvestment in the plantations and mines will continue, but the Government hopes that it will be balanced by new investments in manufacturing, especially in the production of more sophisticated goods.

Industrialisation, which has

advanced rapidly, has now grown the import substitution stage, and to expand industries will have to be export-oriented. Here, Malaysian industrialists are learning the hard facts of international competition, and they are telling the Government that it will have to give better incentives and provide greater support to local manufacturers, if they are to compete successfully overseas.

Investors are watching of tortuous negotiations between Tengku Razaleigh and foreign companies with interest. The Government says that it must have majority control over its non-renewable natural resources, including oil, and the Prime Minister, Datuk Hussein Onn, has warned the unions against any attempt to reach by November 16, a Government might have to resort to nationalisation "if adequate compensation."

Since that warning, both sides have barely budged from the previous positions, and are coming on a war of nerves. The companies, particularly Esso, are making faint threats of pulling out, while Tengku Razaleigh has been dropping hints by engaging in discussions with Saudi Arabian and Indonesian oil officials that he is quite prepared for such an eventuality.

The effect would be far-reaching. However, if he can fix a mutually acceptable deal with the oil companies, and follow up with a budget good for business at the end of the year, it will have done much to boost confidence in the private sector. The Government has announced that it is prepared to amend the Petroleum Development Act and the Industrial Co-ordination Act to attract more foreign investments. A willingness to do so would correct any misconception about Malaysia's policy on investment according to Government sources.

To check any excesses of economic nationalism, the government recently formed a cabinet committee under the deputy prime minister, Dr. Mahathir, with wide powers to supervise the economy, and stimulate investments.

On the part of the private sector, there is now great understanding and acceptance of the Government's new economic policy. It is left to be seen whether Government and business can find a happy medium between the objectives of the policy and those of the entrepreneur.

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NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of December 1, 1970 under which the above-described Debentures were issued, Morgan Guaranty Trust Company of New York, as Trustee, has selected for redemption on October 20, 1976, through operation of the Sinking Fund, as 100% of the principal amount thereof, together with accrued interest to said date, \$147,000 principal amount of the above-described Debentures. The serial numbers of said Debentures so selected are as follows:

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1432	815	1480	2025	2885	4040	8447	8897	7802	8620	10041	10889	11909	12891	13013	13936	14356
137	928	1399	2178	2805	3103	8075	8288	7038	7658	10207	11063	11978	12811	13094	13881	14768
173	946	1512	2196	2896	3103	8075	8288	7038	7658	10207	11063	11978	12811	13094	13881	14768
345	1000	1858	2827	3648	3999	8583	7195	7840	8234	10823	11300	12116	12882	13484	14252	
29	1158	1717	2023	2805	3103	8075	8288	7038	7658	10207	11063	11978	12811	13094	13881	14768
368	1251	1718	2463	4383	4857	8721	7954	8144	8432	10702	11830	12252	12940	13608	14283	
505	1447	1956	2885	4585	4948	8784	7954	8144	8432	10702	11830	12252	12940	13608	14283	
849	1473	1987	2737	4723	5357	8808	7189	8505	8782	10872	11887	12845	13880	14389	14924	

On or after October 20, 1976, the Debentures selected for redemption will be paid upon presentation and surrender thereof at the Corporate Trust Office of Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, New York 10004, or at the principal offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt/Main, the City of London and Paris, the City of New York, the City of Tokyo, and New York City, or The Bank of Tokyo Trust Company in New York City, of The Bank of Tokyo, Limited, in Frankfurt/Main, of Bank Mees & Hope N.V. in Amsterdam, of N. M. Rothschild & Sons Limited and S. G. Warburg & Co. Limited in the City of London, of Banes Morgan Vanviller S.p.A. in Milan and Rome and of Kreditanstalt S.A. Luxembourg in Luxembourg.

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The right to convert the above selected Debentures into Common Stock of Fuji Photo Film Co., Ltd. (Fuji Shashin Film Kabushiki Kaisha) (the "Company") will terminate at the close of business on October 20, 1976, the date fixed for redemption. Debentures surrendered for conversion prior to October 20, 1976, will not be entitled to accrued interest and must have attached the October 20, 1976 coupon and all coupons maturing thereafter. Debentures surrendered for conversion on October 20, 1976 will be entitled to interest due on such date but must have attached the April 20, 1977 coupon and all coupons maturing thereafter.

The Debentures are presently convertible into Common Stock of the Company at a price of 402 1/2 Japanese Yen per share. The reported closing price on September 1, 1976 of the Common Stock of the Company on the Tokyo Stock Exchange was 385 Japanese Yen per share.

Dated: September 17, 1976

FUJI PHOTO FILM CO., LTD.



## AMERICAN NEWS

## President heckled, booed at his old university

BY DAVID BELL

WASHINGTON, Sept. 16.

MR. GERALD FORD, the U.S. President, did not receive quite the warm welcome that he expected when he returned to his old university in Ann Arbor, Michigan, last night to make his first major speech of the election campaign. Boos and heckling drowned out the cheers on more than one occasion, and repeated interruptions, including a loud firecracker, meant the address lasted twice as long as planned.

Thirty miles away, his opponent, Mr. Jimmy Carter, was duly trying to take attention away from the President with a speech to the Michigan state trades union organisation. He congratulated Mr. Ford for finally but "reluctantly" coming out of the White House to meet the people and treated his partisan audience to his strongest attack so far on the economic policy of Mr. Ford's Republican Party. The President, Mr. Carter said, had inherited a "difficult situation" from his predecessor, Richard Nixon, and had turned it into a disaster. The current economic recovery was nowhere near as strong as the Administration was claiming Mr. Carter said.

Mr. Ford was warmly cheered when he talked of the need for

trust in government but apart from one proposal to help first-time, low-income house buyers his speech was confined to generalities and thinly veiled attacks on Mr. Carter, whom he never mentioned by name. His reference to Dr. Henry Kissinger's "vital"



mission in southern Africa was drowned out by boos and there were repeated shouts of "Nixon" from the audience of 15,000. In spite of this Mr. Ron Neesen, the President's Press secretary, said Mr. Ford was "pleased" with the reception.

## Ford strike 'ripple effect' starts

BY JAY PALMER

NEW YORK, Sept. 16.

ALTHOUGH the car workers' strike against Ford Motor is now a day old, concern is already increasing here that the walkout and the car company's production shutdowns could begin to hurt the U.S. economic recovery within no more than two or three weeks.

That the strike will last at the very least two weeks now seems certain. No bargaining sessions between the two sides have been, and many believe that the union is being over-optimistic in suggesting that it could get rank and file ratification of any deal within a further week.

According to some estimates, Ford Motor's more than 25,000 direct and indirect suppliers will begin to feel the effects of the shutdown within 14 days. If the strike continues for more than four or five weeks, many of these companies will have to begin laying off workers and closing facilities of their own.

Some companies have, in fact, already posted layoff warnings for employees. The Detroit railroad, which normally gets about half its business from Ford, has told 400 of its 1,400 employees that they will have to stop work.

## Callaghan, Trudeau talks resume

OTTAWA, Sept. 16.

BRITISH Prime Minister James Callaghan to-day resumes talks with Canadian Prime Minister Pierre Trudeau with the main topic again expected to be the situation in Southern Africa.

British officials said that the two leaders would meet for a

single biggest customer, said that it will lay off nearly 4,000 workers if the strike lasts more than two weeks.

It is not only the "ripple effect" of Ford's problems which are causing worry. In some states, where Ford parts are an important part of the local economy, the loss of Ford's wage payments will have an immediate impact on local spending levels.

All this comes at a time when fears are being increasingly voiced that the U.S. economy recovery is slowing. Unemployment last month rose to 7.8 per cent, and only earlier this week several large steel companies announced that they were having to lay off workers because of sluggish business.

If, as now seems very probable, the strike does continue and does have a noticeably harmful impact, it will have potentially serious consequences on the outcome of the November Presidential election. President Ford has made much of the "healthy" economy and, as the incumbent, stands to lose from either a sharp rise in unemployment or an inflationary wage settlement.

## Personal income up 0.4% in August

Personal income in the U.S. rose by 0.4 per cent in August, equivalent to a seasonally adjusted annual rate of \$8.1bn, rise to \$1.30bn, the Commerce Department said, reports AP-DJ from Washington. It was the smallest monthly increase in income from all sources in 13 months. In July last year it fell by \$1.7bn.

The Commerce Department reported that the August personal income increase was also substantially smaller than the \$1.3bn adjusted annual rate of increase the month before. That month's rise had been propelled in part by a big increase in social security payments reflecting a rise in the social security rate.

## \$1.3bn. oil price error

The U.S. Federal Energy Administration said yesterday it and the oil industry made a pricing mistake that could cost consumers \$1.3bn. AP-DJ reports from Washington. The agency proposed letting the refiners keep the money, because the mistake was partly due to wrong guidance from the FEA about oil-price rules.

## Panama food riots

The Panama Government yesterday closed all schools and universities in Panama City, Reuter reports, after fresh student rioting against food price increases.

## Grumman controversy

A U.S. Senate subcommittee may ask the Justice Department to investigate for perjury conflicting statements on whether Mr. Richard Allen, a former Nixon Administration official, asked Grumman for an illegal political contribution, AP-DJ reports.

## Assassination probe

A resolution setting up a 12-member committee to investigate the assassinations of President John Kennedy and Dr. Martin Luther King was sent to the House of Representatives yesterday, Reuter reports from Washington.

## Brazil inflation

Brazil was expected to take further action against inflation at a meeting of its National Monetary Council yesterday in Brasilia, Finance Ministry sources told Reuter in Rio de Janeiro. Recent figures show Brazil's inflation rate was more than 32 per cent in the first eight months of this year.

## Payments silence

Lockheed's former chief representative in Japan, Mr. John Clutter, has refused to answer questions posed by a joint U.S.-Japanese panel investigating \$5m in payments made in Japan. AP-DJ reports from Los Angeles.

## U.S. OPINION POLLS

## The fear of 1948

BY DAVID BELL IN WASHINGTON

TWO WEEKS before the 1948 election Newsweek asked the 50 leading American journalists of the time who they thought would win. All said that President Truman had no chance and one national magazine was rash enough to appear on election day with "President Dewey's Cabinet all grouped together for a photograph."

In the event the Truman victory consisted of Dewey's oblivion and it still the most spectacular upset in American political history. This summer, when the still largely unknown Jimmy Carter was said by the polls to be 33 points ahead of him, President Ford began to talk about "doing a Truman."

Nothing worries the American pollster more than the possibility, however faint, of another upset on this scale. Although the art of polling was much less refined 30 years ago than it is now, polls had been used consistently for some time before the 1948 election. Mr. Elmo Roper's polling organisation, for instance, had been right within 1.2 per cent in each of the previous three Presidential elections. In 1948 he predicted a Dewey landslide. Asked what went wrong, he said only: "I frankly do not know."

Mr. Carter's lead has slipped to more "manageable" proportions since the early polls and the major polling organisations mostly put him only 11 points ahead at the moment. But they also show that as much as 25 per cent of the electorate is undecided—a vast mass of shifting opinion which is both much bigger than usual and, say the pollsters, much more difficult than usual to predict.

The gyrations have been partly responsible for the growing interest in attitude surveys rather than simple polls, particularly at this stage in the campaign. Candidates have for a long time been using private polls to find out how their views are being received and how they are seen by different voter groups. Peanut 1—Mr. Carter's campaign jet—has a computer on board linked to a master machine in the Atlanta headquarters which can with the latest poll data. Mr. Patrick Cadell, the resident 26-year-old campaign pollster, uses this to "fine tune the thrust of the campaign." Mr. Carter watches these polls extremely carefully.

With each election that passes the major newspapers have also become increasingly interested in these attitude surveys. For example the New York Times, in partnership with CBS News, now has its own immensely detailed

survey of voter opinions which has been appearing at regular intervals since the spring. The latest survey, among a host of other things, showed that Mr. Ford is not well regarded by moderates but is just preferred by Catholics; it analysed voters' perceptions of the economy (doomy), abortion (indifference), and the Ford pardon of Nixon (even split for and against). It also showed that most voters are lukewarm about both candidates.

These polls provide a most useful backdrop against which to set issues that arise. Over abortion, for instance, Mr. Carter has been vociferously criticised by "right to life" demonstrators and by the Catholic bishops who have all but endorsed Mr. Ford's marginally stronger anti-abortion position. Mr. Ford's staff are still insisting that this endorsement will win votes. But the poll shows that two-thirds of the

In 1948 U.S. pollsters predicted a landslide victory for President Truman's opponent. How accurate can they expect to be this year?

people do not favour a constitutional ban on abortion and that even a majority of Catholics do not favour such a ban. In fact abortion ranked 25th in a list of 25 issues.

There is a factor which has a major impact on the "raw" polls, meaning those which show only the standing of the candidates. Although the census bureau now estimates that there are about 180 million people of voting age in the U.S., only about 90m—or even fewer—are expected to vote in November. A recent survey of non-voters by Peter Hart and Associates discovered that over half non-voters are between 18 and 34; and that many had never voted, and intend never to vote. The Democrats are trying to get a last minute voter registration surge to offset the effect of the "lost generation" but it does not appear to be having much success, save in the Black Community. In some northern industrial states the Black vote could be crucial for Mr. Carter and Blacks are solidly behind him.

Mr. Mark Shields, the California pollster, says that "demographically and in their attitudes the non-voters are pretty much like the rest of us—cynical about Washington and about politics in general. Maybe the

question should be why people vote, not why they don't vote." No one has yet asked the people who do vote that question but no doubt there will soon be a pollster who does.

With so many voters and all the pollsters so far reporting a notable lack of commitment to either candidate there is now a possibility that less than 50 per cent of those voting age will actually vote in November, a figure which profoundly concerns many American political observers.

Meanwhile the polls that really count in political terms will continue to be the ones which show who is ahead and by how much. The pollsters have always conceded that these can swing the result in the last few days of a close campaign as this one now promises to be. Partly to guard against this change they are stressing this year, more than ever before, that these polls should primarily be read as a guide to what people were thinking on the day the poll was taken. This, they say, is not necessarily much use as a guide to what the same people may be thinking when the poll is published some days and much computer time later.

They also note that telephone polls are regularly less accurate than face-to-face surveys because many people interviewed on the telephone apparently do not trust their interviewers and can discuss their opinions more effectively than when face to face. Most newspapers are also much more aware now of the difference that the size of the statistical sample can make to the accuracy of a poll. The National Council on Poll's guidelines note that a poll of a statistically valid sample of more than 1,500 people may be accurate to within 2.3 per cent, but a poll of 200 to 250 may have as much as an eight per cent margin of error. Most editors now study these guidelines closely before deciding how much prominence to give to individual surveys.

The author of the latest book on polls, entitled "Lies, Damned Lies and Statistics," concludes with his own assessment of the value of them and it is one which most observers this year would probably echo. "Read the polls, cavestrop on conversations in coffee shops and bus stations, scan a variety of newspapers, put a finger in the wind and then forget about the polls." Even in a country as large and diverse as the United States this may be the soundest advice of the political year.

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## EUROPEAN NEWS

## Bonn's DM 4bn. defence of snake in August

BY NICHOLAS COLCHESTER

BONN, Sept. 16.

THE WEST GERMAN Bundesbank bought DM4.1bn. of additional currency reserves in its successful effort in August to defend the parties of the European currency snake. The latest monthly report of the Bundesbank reveals that this currency market intervention led to a net increase of DM3.4bn. in the Central Bank's currency reserves over the month.

The liquidity made available by this large sale of Deutsche marks has been largely neutralised for the moment by offsetting deposits made by the Government with the Bundesbank. Even so, a noticeable increase in the demand for credit during the summer has now taken the Central Bank money stock up to the level where the Bundesbank's publicly announced goal of an 8 per cent. increase between this year's average money stock and last year's average can no longer be adhered to.

The Bundesbank therefore suggests that it can provide little more in the way of monetary stimulus to the German economy without endangering success in coping with inflation. It concedes that German economic expansion has slowed and that unemployment, seasonally adjusted, has increased over the past few months. But it blames this fact on structural unemployment which, it says, can be better tackled by special Government

measures aimed at the labour market than by measures designed to increase general demand.

Seasonally adjusted, the Bank notes, unemployment at the end of August was still a relatively high 4.8 per cent compared with 3.2 per cent a year ago. Its economists feel, however, that industry's ability to expand production without hiring new labour is now exhausted. Part of the problem, they suggest, is that supply and demand for labour are poorly matched, either because the qualifications of the unemployed do not coincide with industry's requirements, or because there is now insufficient mobility of labour in West Germany.

The Bank continues to cite foreign demand as the chief contributor to growth in the German economy and comes up with some interesting statistics demonstrating that despite the rise in the value of the Deutschmark, German industry's competitiveness in the world market has not suffered.

## Exports rise

Between 1972 and the second quarter of 1976 the average Deutschmark price of German exports rose by 28 per cent., whereas the average increase in export prices of Germany's 13 major trading partners (in their own currencies) was 50 per cent. Over the same period the weighted increase in the value of the Deutschmark against all

these other currencies was 24 per cent. Thus the overall competitiveness of German industry varied very little.

The report backs up this argument by pointing out that exports to industrialised countries have increased strongly this year. In the quarter from May to July they were seasonally adjusted 3 per cent. up on the preceding quarter. In comparison with the same quarter last year they were up 21 per cent., and the proportion of all Germany's exports going to the western industrialised countries rose from 67 per cent. to over 70 per cent.

In the report's summary of Bundesbank activity in the currency market, it is confirmed that in the first quarter of 1976 some DM10bn. of extra foreign currency reserves were accumulated largely as a result of the unsuccessful attempt to hold the French franc inside the snake. After the franc was taken out of the Bundesbank was able to shed DM4.5bn. of reserves between April and July.

The Bundesbank's economists conclude that speculation against the "mini-snake" is more "short-winded" than in the days of the old fixed-exchange rate system. Yet, despite the maintenance of the mini-snake through August, the Bundesbank hints publicly at its scepticism about the snake's long-term viability in the face of differing rates of inflation in the member countries.

## Irish terrorist laws may pass to-day

By Our Own Correspondent

DUBLIN, Sept. 16.

THE IRISH government's new anti-terrorist bills may complete the parliamentary passage by to-morrow and become law within the next fortnight. Following their passage through the Dáil, they are now being considered by the Senate but are not expected to undergo any further major amendments.

The final laws look as though they will be shorn of some of their more controversial aspects. Gone, it would seem, is the threat to Press freedom which some saw in the original wording of the section on incitement. This now makes it an offence only directly to incite resort to an illegal organisation.

Reduced, too, is the proposed power of prison staff to seize documents passed by prisoners to their lawyers, while the army's powers of search and arrest will not apply to the country's part-time soldiers.

These amendments are partly the result of what is being called the best performance by Fianna Fáil, since it went into opposition three years ago. Recent has resulted in a decision to appear to have persuaded the party to do its homework on this issue, and the front bench worked better together than any one, including probably the Government, expected.

The one man whose reputation may not have been enhanced in recent weeks is the Minister for Posts and Telegraphs, Dr. Conor Cruise O'Brien. An interview he gave to an American newspaper focused public attention on the possibility that the incitement section might be used against the Press and the resultant protests obliged the Government to amend this section.

Controversial areas in the legislation still remain—particularly the emergency law which would allow police to detain suspects for up to seven days without charge, and the new powers again in to-day's Senate debate with members complaining that suspects need not be held in police stations but only "some convenient place".

The Government reply was that this would happen only in violent or exceptional circumstances and the Government has made it clear that in its view the proposed law does not interfere with a person's right of access to a lawyer.

Fianna Fáil is also still unhappy about the prospect of people being searched and arrested by troops but in general the light of the parliamentary process clearly working well over the past few weeks has removed some of the force from arguments that Irish democracy is in danger.

## MINTOFF'S MALTA

## An electoral juggling act

BY DOMINICK J. COYLE IN VALLETTA

LISTENING to Maltese politicians in the final run-up to this week-end's general election you could be excused for thinking that their tiny (122 square miles) Mediterranean island of 300,000 people was at the centre of the universe. An alternative explanation, of course, is that it is just about the best connected piece of real estate in the world, what with party leaders and their supporters talking about the French connection, the Italian connection, the Chinese connection, the Libyan "alliance", NATO, the Common Market and—ironically in this context—non-alignment.

The bare facts are that a new Parliament of 65 candidates is to be elected for a five-year term. The electorate is just short of 218,000, slightly more than half of whom are women and thought to be more conservative. Under the proportional representation system a second round of voting is scheduled for Saturday afternoon and 24 hours later the outcome should be clear but not final, since the P.R. Transferred Preference Procedure as applied to Malta can mean anything up to 30 counts, or even more.

The vote will in effect be more in the nature of a referendum than a Parliamentary election. It is a referendum about one man, the controversial Prime Minister, Mr. Dom Mintoff, whose political party is the Labour Party, and about the island's future.

Mr. Dom Mintoff, who has been in power since 1971, is hoping for some financial assistance from the European Community to include France, Italy, Libya, and Algeria, to ensure the island's ultimate protection in the event of an attack.

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He has also created something of a domestic revolution, not least in the area of social welfare: he has pushed through constitutional changes reflecting his own Socialist objectives; and he has declared Malta a republic.

It is a truism that opposition does not win elections, but Government often loses them, and it is no exception in the case of Mr. Dom Mintoff. The present leader of the opposition and Premier on three previous occasions, to say that this election centres on Mr. Mintoff's personality, policies, and, in a sense, his "style" of Government, is a two-party contest between the ruling Socialist Party and the opposition Nationalist Party, but in essence it is a one-man popularity contest.

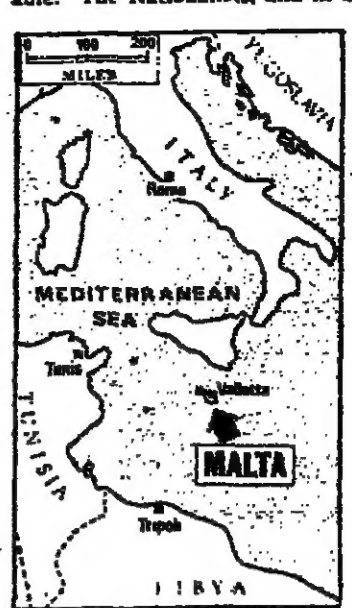
Mr. Mintoff has pushed through a revolution of sorts to ward, reducing his objective of a Socialist Malta in progress.

and peace." He renegotiated the agreement with Britain over the use of military facilities in Malta, ending up with more money (partly from the U.K. in rents, but also supplemented by a number of Nato countries) and with a commitment covering a final British withdrawal by March 1979. He has borrowed money—interest free—from China, gets Libyan crude at an undisclosed



Mr. Dom Mintoff

sufficient by the time the British leave. Mr. Mintoff does preside over a cabinet, but it is all one way traffic in ideas, instructions, criticisms. His friends claim that his every move is calculated carefully; his enemies say he is simply a dictator who will brook no interference, and respond to no argument however reasonable. The Nationalists, and in a



MALTA

subsidised price from Col. Muammar Khaddafi, recognises the Palestine Liberation Organisation and now, while declaring a policy of neutrality for Malta, is trying to put together a still-undefined Mediterranean alliance to include France, Italy, Libya, and Algeria, to ensure the island's ultimate protection in the event of an attack.

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those guns brought in and hidden in Malta by the Libyans." Mr. Mintoff's pro-Libyan stance will do him no good at all with the floating voters, if any of this particular breed still exists in this polarised community; and in the closing days of the campaign the Prime Minister himself introduced a balancing factor. He had, he said, an undertaking in writing from the French Government—and verbally from the Italians—to safeguard the sovereignty of Malta after the British withdrawal.

The French and the Italians were saying nothing on the record at the eleventh hour of the campaign, conveniently perhaps both embassies here without ambassadors just now, but private word on the diplomatic grapevine is that Paris had sent a letter "which says nothing new but does express understanding" and some sources hint that the Italians had gone so far. The Nationalists meanwhile are talking vaguely about "possible bilateral deals with some Nato countries" and, rather less hopefully, about trying to persuade Britain to stay on after 1979.

More generally the Nationalists have had a good and well-run campaign, promising (but without any costings) a whole lot of economic goodies at home, including the abolition of income tax and a foreign policy as solidly pro-Western as they have left the impression, this could bring in some sizeable financial assistance as well.

They have attacked Dr. Mintoff's apparent (although not necessarily real) anti-European stance, his dictatorial style in Government, and his failure to make real, as against largely artificial, progress against the underlying unemployment problem. They may even have managed to nip at the idea of the minds of a few traditional labour supporters that, citing the Mintoff Government's sound five-year term could set the island on an uncharted road in the company of questionable "friends" towards a "workers' republic".

This electoral strategy might well be enough to give the opposition the edge as in 1971. This time, however, 18 years-old have the vote and more than one in five of the electorate will be voting for the first time. Experience elsewhere suggests that a party on the left sets a useful bonus from first-time voters, and the signs are that Mr. Mintoff's political fate could be determined by the 51,000 Maltese voting for the first time. He must hope that they are not already a politically polarised as the parents.

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## Spanish inflation rate slows

BY ROGER MATTHEWS

MADRID, Sept. 16.

THE COST of living index in Spain rose by a modest 0.84 per cent. last month, according to provisional figures released just after the Cabinet met to-day to discuss a series of economic and political measures. Opposition parties were not slow to note that the only Cabinet member absent from the meeting was the Minister of the Army who is in Chile to celebrate the third anniversary of General Pinochet's coup.

Although the inflation rate has eased in the past three months, the eight-month total for the year stands at 12.65 per cent, compared with 9.81 per cent. for the corresponding period of 1975. Most financial sources in Madrid expect the year-end figure to be around 20 per cent., a factor that coupled to the substantial balance of payments deficit has lent weight to persistent speculation that the parity of the peseta will be adjusted in the near future.

The Government is also known to be considering a new wages

policy that might try to put further constraints on the better paid while giving greater flexibility to those in the lower income brackets.

However, any restrictions on the large number of wage deals due to be concluded before Christmas with craft and other unions for the Government as it is simultaneously anxious to buy labour peace so that the referendum on constitutional reform can go ahead in a relatively calm atmosphere.

Most factories in the industrial Basque provinces were working again to-day after the extensive strikes called to protest at the police killing of a demonstrator last week. Over 20 town councils in the province of Guipuzcoa have now resigned, while councillors in Pamplona have asked the Government to forbid police to use firearms against any form of political or labour demonstration. If the Government could not achieve this objective the council says that King Juan Carlos should appoint a new Cabinet.

The action of the town councils is a significant development in the political make-up of the Basque provinces as they are composed of basically the same people selected under the rule of General Franco and therefore considered loyal to the regime.

Police chiefs from all over Spain met in the capital to-day to discuss attitudes and methods to be adopted towards legal and illegal demonstrations. The Director-General of Security is expected to join Interior Minister Martin Villa during a week-end visit to the Basque provinces.

The month-old go-slow by air traffic controllers took an embarrassing turn for the Government to-day when virtually all flights from Barcelona, including the hourly "air bridge" to Madrid, were cancelled. The Ministry of Air said this was due to a "radar failure" in Barcelona, while the air traffic controllers let it be known that they had refused to handle the extra load imposed by Air Force exercises which took place in the region to-day.

## Upturn in Dutch economy

By Michael Van Os

AMSTERDAM, Sept. 16. THE DUTCH Central Bank said in its latest quarterly bulletin, published here to-day, that indications were that economic activity had again increased somewhat in the second quarter after the hesitation in the first quarter. Industrial production resumed its upward trend, while building production recovered from the first quarter decline which was again caused by weather conditions.

However, the bank added that the recent tests taken in the industrial sector had indicated that "the cyclical position still leaves something to be desired" as the tests, after a marginal improvement, had continued to show an unfavourable trend.

According to the bulletin, goods exports stabilised at the high level of last year's final quarter, so that the movement of production could this time be linked to an increase in domestic expenditure. Unemployment continued to rise, reaching at least 239,000 in August and, the central bank added, the relatively high proportion of unemployed youths has been noticeable for the past few months. There has been little change in the number of unfilled vacancies since March.

## No Italian move to renew import deposit scheme

BY ANTHONY ROBINSON

ROME, Sept. 16.

ITALY has not yet made any official moves to seek a further extension of the 50 per cent. import deposit scheme reintroduced in May for a period of three months and subsequently extended with EEC and IMF approval for a further three months up to November 3.

It is also considered most unlikely in banking and government circles that Italy will ask for a further extension of the scheme as it exists at present. On the other hand it is more likely that the Italian authorities will apply for a graduated elimination of the deposits and seek permission to dismantle the scheme in a staggered fashion. At present the import deposit scheme virtually all Italian imports except grain and a few selected items. Italy is likely to propose replacing this with a system which gradually reduced the deposits from the present 50 per cent. level or selectively abolished the deposits on certain products like raw materials or a combination of the two.

The deposit scheme as it stands has been effective both in helping to stabilise the lira at a level of around 840 to the dollar and improving the trade balance.

In July, always a seasonally

favourable month, the Italian exports exceeded imports by L105bn. so reducing the overall trade deficit of the first seven months to L2,964bn.

But the deposits have also had the effect of reducing domestic liquidity and so helping to counterbalance the expansionary effect on liquidity of the heavy public sector deficit and subsequent treasury bill issues.

As one Government official commented, the import deposit scheme in November, at the start of the seasonally unfavourable period for the balance of payments and the lira, would not only release a flood of formerly restrained liquidity but also release an inflationary volume of liquidity into the system. If this happened Italy could well find itself by January back in the same situation as it was in January this year when the authorities closed the foreign exchange market and the lira slumped dramatically.

Gray de Jonquieres adds from Brussels: The EEC Commission has not approved any extension of Italy's import deposit scheme beyond November 1 and is unlikely to take the matter further until it has a clearer idea of the economic policies to be introduced by Sig. Andreotti's government, spokesman said to-day.

## Danish MP boycotts Euro Parliament

By David Curry

LUXEMBOURG, Sept. 16.

THE DANISH Socialist Member of Parliament Knud Hestbæk announced that he will boycott all sessions of the European Parliament held in France because "the European Parliament apparently no longer intends to protect its members against abuses of power by French authorities".

In June 1975, during a Parliament session in Strasbourg, Mr. Nielsen was involved in a scuffle with the police there. The police said that they would investigate the matter and also release a statement that the Socialist MP would continue to attend sessions while this took place.

To-day he informed the French Socialist President of the Parliament, Mr. Georges Ségol, that the Danish authorities had dropped the affair under the carpet and had said that the police action was fully justified. This was unacceptable, Mr. Nielsen declared. He said he would stay away from Strasbourg sessions and invite Socialist members of the Danish Parliament to note that "one of its representatives cannot participate in all the sessions and activities of that body".

## Paris summit date

President Valéry Giscard d'Estaing will hold summit talks in Paris with U.K. Prime Minister James Callaghan on November 12, Elysee Presidential Palace officials confirmed yesterday, Reuters reports.

## E. German church protest

BY LESLIE COLITT

E. BERLIN, Sept. 16.

PROTESTANT pastors throughout East Germany are to read a sermon from their pulpits on Sunday about the suicide last month of Pastor Oskar Bruesewitz, who set fire to himself in public to protest against state curbs on young Christians.

Pastor Bruesewitz's self-immolation was committed on a main square in the town of Zeitz and has brought to the surface issues long thought irrelevant in secular East German society. Even young East Germans who are not churchgoers but who occasionally attend church youth activities because of the open atmosphere were shaken by the pastor's actions, and East Germans now have begun to express doubts about the "live and let live" relationship they thought existed between the Protestant Church and the state authorities. East Germany has about 8.5m.

Protestants and 1.3m. Catholics in a total population of 17m. Protestant Church officials estimate that perhaps half of these are nominal members.

Pastor Bruesewitz's church superiors initially reacted by saying his action was a tragedy for everyone concerned, but the official Communist Press, saying that the pastor was abnormal and deeply ill, has led to a more forceful reaction. The sermon planned for Sunday describes the death as unleashing a "deep uneasiness" with its effects showing the "tensions" running through society, and asks the Government whether it really does guarantee freedom of religious belief, in particular for the young.

For years now practising young Christians have only had a "nominal" chance of gaining admission to higher studies.

## Opinion poll gives Swedish Socialist bloc minute lead

BY WILLIAM DUFFLORCE

STOCKHOLM, Sept. 16.

THE Socialist bloc has edged to a minute lead in the last opinion poll to be taken before the Swedish general election on Sunday, deflating opposition hopes of ending 44 years of Social Democrat rule. The Swedish Public Opinion Research Institute (SIFO) poll, conducted on Monday, showed the Socialist bloc leading the Social Democrats and Communists 48.9 per cent. of voter support against 48.3 per cent. for the three non-Socialist parties.

Prime Minister Olof Palme's Social Democrats have thus succeeded in wiping out the 11 per cent. lead in the polls held by the non-Socialists in April. If Sunday's voting follows the poll findings, the Social Democrats would emerge with 157 seats and the Communists with 18 seats in the Riksdag, giving together 175 seats against 174 for the non-Socialists and allowing the minority Social Democrat government to continue in office. The latest poll,

in contrast with earlier surveys which tested party sympathies, measured voting intentions.

The Stockholm stock exchange reaction negatively to the SIFO poll to-day. Of the shares in which dealings were most prominent, all except one fell in price.

The Affarsvarden general index dropped 13.6 points to 820.1, as a subordinated Linde oil motive fell 6.34 points to 423.65.

Another SIFO poll published to-day indicated that while 51 per cent. of Swedes favoured the establishment of equity-holding wage-backed funds, only 12 per cent. backed the trade union federation (LO) proposal, which entails collective control of the funds and rejects share-holding by individuals. Twenty per cent. proposed work done by a committee under Grönings chairman Erland Walinderström. The LO proposal has been one of the main objects of attack by the



## OVERSEAS NEWS

Ing Pertamina  
Banker  
fleet  
aid up

Hamish MacDonald

**JAKARTA, Sept. 16.** THE ocean-going tanker assembled by the Indonesian state oil firm Pertamina is being idled for lack of business. Minister Mohammad Sadli told a parliamentary committee in Jakarta yesterday that the fleet, comprising ships of between 54,000 and 60,000 tons, were lying in a bay in Hong Kong, Japan, Singapore, Britain, the U.S., and Norway. Meanwhile, according to a Central Bank spokesman, foreign reserves in the mid week of August stood at \$1,066m, equivalent to about 10 months' imports. The figures were contained in the Bank's Weekly Report resumed publication this week after 18 months. The Bank's public reports last year as the government worked on the operation to cover debts incurred by Pertamina. Through the new report's retrospective figures in the areas for the missing oil, it does not supply any of the reserves between July last year and March this year, a tense period in which reserves are understood to have once come close to zero.

Malaysian  
id to boost  
vestment

Wong Sulong

**JALAJUMPUR, Sept. 16.** E. MALAYSIAN Government, worried about the sluggish performance of private investments in spite of the recovery of the economy, is considering amending two controversial pieces of industrial legislation to remove investors' business and uncertainty. The Government's newly formed cabinet committee on investment is also studying a bill to cut down red tape. Deputy Prime Minister, Mahathir, who heads the committee, said today it would be into the controversial pieces of the Petroleum Development Act and the Industrial Development Act which were passed in 1966. The Petroleum Development Act requires foreign oil companies to sell to Malaysia's oil company, Petronas, 1 per cent. of their shares. Such shares have voting power of 500 shares. The other act allows manufacturers to retain their licenses every time they change the contents of their products or expand into new lines.

## ON OTHER PAGES

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Franjeh Cabinet changes  
cause uproar in Lebanon

BY IHSAN HIJAZI

BEIRUT, Sept. 16.

THE DECREES issued yesterday by President Suleiman Franjeh reshuffling the Cabinet of Premier Rashid Karami have caused uproar and injected a tense psychological atmosphere here. Fears were expressed in the Press that the development could obstruct a smooth transition of power to President-elect Elias Sarkis in a week's time, and lead to what the Left-wing daily Al Moharrer described as "a national explosion". The decrees stripped the Prime Minister of his main portfolios, those of National Defence, Finance and Information. All three ministries were assigned to Christians. A second decree made Mr. Camille Chamundin an acting Premier during Mr. Karami's absence in Cairo, and gave him the crucial portfolio of National Defence. Mr. Chamundin, a Maronite leader, already held the important portfolios of Interior and Foreign Affairs. Mr. Karami was given the minor ministries of Agriculture, Housing and Tourism.

Mr. Karami in a statement telephoned from Cairo, dismissed the measures as null and void, and accused Mr. Franjeh of seeking to partition Lebanon. A coalition of Moslem leaders said the decrees were typical of what Moslems used to complain against, namely, that real power was centred in the hands of the Christians. The coalition, which includes former premiers and Ministers, warned politicians and civil servants against implementing the decrees. The Left alliance under Mr. Kamal Jumblatt said the measures were intended to stop Mr. Sarkis from taking power on September 23. The daily An Nahar said Mr. Franjeh was motivated by what he regarded as lack of co-operation by Mr. Karami. It said the appointment of Mr. Chamundin as Defence Minister meant he intends to undertake certain

measures regarding the divided Lebanese army. Observers here have been trying to find out if the decrees were issued with Syrian approval since Damascus has been working closely with the right-wing front headed by Mr. Franjeh. They said that if Syria is behind the move it could be a sign for Syrian military action before September 23. If Syria is opposed to it then the repercussions might not be as serious as some quarters have predicted. Significance is seen in the opposition to the reshuffle by the main right-wing group, the Phalangist Party, whose leaders said that party was not consulted. Meanwhile, a meeting between Mr. Sarkis, Syrian Premier Maj. Gen. Abdel Rahman Khleifawi, and guerrilla leader Yasser Arafat, is expected to be held at the Lebanese border town of Shoura tomorrow. On Saturday, Mr. Sarkis is scheduled to visit Cairo.

## Kuwait urges Iraq pullout

**BAHRAIN, Sept. 16.** KUWAIT HAS officially asked Iraq to withdraw its troops which it says have crossed its border and erected a camp there, Kuwait newspapers reported today. The newspaper Al-Anbasa said the Iraqi border guard crossed the border last Thursday and put up tents three miles inside Kuwait. The Kuwaiti Government has asked Iraq to withdraw these troops or else it would take up

the matter with the Arab League, the newspaper added. It recalled that the Arab League had already delineated the border between Iraq and Kuwait, and said Kuwait might ask the League to intervene to get a final agreement on the frontier. Although Iraq has since recognised Kuwait, it has not accepted the existing border between the two countries. Reuter

## Miki in Lockheed pledge

**TOKYO, Sept. 16.** PRIME Minister Takeo Miki today challenged political opposition to his efforts to unravel Japan's Lockheed bribery scandal and said this would be one of the main tasks facing the new session of the Diet (Parliament). The special session, called to consider urgently needed financial legislation, began this evening, and is due to last 50 days. A few hours earlier, Mr. Miki promised that the full truth about Lockheed payoffs in Japan would be disclosed before the next general election, which must be held before December 9. He said an interim report would be issued if the investigations were not finished in time. Former Prime Minister Kakuei Tanaka and 14 other people have been charged in connection with the scandal. Japan's defence administrator said today that Japanese military experts will thoroughly examine the Soviet

MIG23 fighter plane flown here by a Soviet defector last week. Michita Sakata, director-general of the defence agency who was retained in a Cabinet reshuffle yesterday, told a news conference that it is "the duty of Japanese defence authorities to learn fully the capabilities and functions of any weapons posing a potential threat to Japan's security". A three-day strike by black workers from townships around Johannesburg and Pretoria appeared to have ended today. But strikes continued in the Cape Town area, where industry was badly hit. Police have shot dead a coloured (mixed race) man and wounded three others in violent incidents around Cape Town in the past 24 hours, police Maj. Gen. David Kriel said. Two paraffin bombs were thrown into a major Johannesburg store today, the first outbreak of violence in "white" Johannesburg. Strikes also affected Wellington, about 30 miles north-east of Cape Town, where white residents armed with shotguns patrolled the streets. Agencies

## RESIDENT NIMAIRI'S GOVERNMENT IN SUDAN

## The roots are growing

BY JAMES BUXTON, RECENTLY IN KHARTOUM

SUDAN now sees itself as part of the Arab world, not as a solely Arab country. But despite the fact that Sudan has much in common with many black African states President Nimeiri has been able to make good use of the Arab connection in raising development funds. With Kuwaiti and Saudi funds in particular, plus backing from many Western countries as well as China, the Government is borrowing heavily to bring Sudan out of a phase of low growth and create the principal source of the Sudan's foreign exchange. The UPI reports: Japan's defence administrator said today that Japanese military experts will thoroughly examine the Soviet

300 miles farther south. A prosperous Sudanese may well have a better knowledge of London than of the outlying areas of Sudan. In general, the political tendency of the middle class is to the Right with strict observance of Islam and a more pan-Arab tendency being among the aims of the banned political parties which find support among the urban elite, and needs it for the sake of the economy. But it remains firmly set against concessions of the extremists in the wake of the July attempt. In this it almost certainly has the support of the ordinary people of the country: the coup, in which upwards of 300 people were killed, was unpopular and the subsequent execution of about 100 of those involved in it widely applauded. But there is a more profound reason why the government cannot afford to make concessions: most concessions would simply conflict with the strategy which it is trying to follow. An attempt earlier this year to enforce stronger laws against drink was seen both in the South and elsewhere as a threat to the tolerance of non-Muslims and was abandoned. Instead it appears to calculate that some of the economic restrictions on the middle class can be eased and businessmen will automatically benefit.

Until economic development begins to pay off, which cannot be much before the end of the decade, Sudan will continue to go through difficult times. There is little doubt that the security forces are playing an important role in keeping potential opposition under control, by close observation, questioning and occasional imprisonment. But the Government has several important factors in its favour. By directing himself of some of the officers who he previously held, including the Prime Minister, President Nimeiri has shown that the Government of Sudan is not a one man affair and that there would be a good chance of continuity if anything happened to the President. Secondly, the resounding defeat of the coup has made it very unlikely that the opposition will again try to remove Nimeiri by force. Thirdly, the army remained entirely loyal to President Nimeiri during the coup and is in the last resort the force that keeps him in power. Finally there is no sign that the confidence of foreign investors has been shaken: businessmen were arriving and important deals being signed with the Government within a few days of the coup attempt. The Government rightly interprets that as a sign of real stability.

Before the fruits of economic development can be enjoyed Sudan must endure the serious strains of a dash for growth. The strain naturally is felt most by the educated urban middle class which previously ruled the country and still provides most of the ministers and civil servants. It is among this class that the main opposition to the Nimeiri regime is to be found. It is concentrated in the three towns—Khartoum, Omdurman and Khartoum North at the confluence of the Blue and White Niles—with a total population of about 1m. The political colouring of this sophisticated group is highly complex. From self-interest it favours policies which favour the commercial and agricultural heartland of the country, namely the three towns and the rich producing areas 200

many Western countries as well as China, the Government is borrowing heavily to bring Sudan out of a phase of low growth and create the principal source of the Sudan's foreign exchange. The UPI reports: Japan's defence administrator said today that Japanese military experts will thoroughly examine the Soviet

## HOME NEWS

## MPs seek more say in choosing ombudsman

THE COMMONS should be allowed more say in the appointment of the ombudsman, a report by an all-party committee of MPs urged yesterday. The Select Committee which reports to Parliament on the work of the ombudsman (Parliamentary Commissioner for Administration), points out that, as a title suggests, it is in a sense the servant of the Commons. When the office was created the closeness of the link with the Commons was emphasised. But at no stage before the appointment was made of a new ombudsman, the Commons, or any part of it, advised, much less consulted.

## Quarantine

When the appointment of the present ombudsman, Sir Idwal Pugh, was announced, the committee knew nothing beyond the fact that Sir Alan Marre had expressed to them his intention to retire. "Although this procedure is in accordance with precedent, your committee consider it unsatisfactory. There are several issues at stake here. For example, the House should have an opportunity of discussing whether or not the person appointed should invariably be a former civil servant. If he has been a civil servant, should he not have undergone a period of 'quarantine' between retiring from the Civil Service and becoming Parliamentary Commissioner?"

## Personnel

The minimum requirement for consultation should be as set out in a private member's Bill, which the appointment should follow consultation with the select committee chairman and confirmation by a resolution of both Houses. The committee regrets that the Government continues to disregard repeated recommendations that the ombudsman's jurisdiction should be extended to grievances of personnel matters in the Civil Service. The report points out that last year 13 per cent. of the complaints the commissioner received were rejected because they were concerned with personnel matters outside the scope of his powers. The commissioner did not wish to imply that there was necessarily a widespread injustice in this field, but drew attention to the fact that there is no other obvious channel for investigation of a grievance in personnel matters.

## Opposition

The committee was aware that opposition to extending the commissioner's powers in this way came from some of the trade unions and associations needed with the Civil Service, but it was not convinced that this was an overriding consideration. A candidate for the Civil Service could have a complaint of maladministration in the way an examination was conducted, yet have no trade union to take up his case because he was not yet a civil servant. It was recognised that there were established procedures for dealing with some areas in which there might be grievances and these could be excluded from the widened powers the committee continued to advocate.

Second Report from the Select Committee on the Parliamentary Commissioner for Administration. Session 1975-76. Commons Paper 480. SO. £1.50.

## BSC to build advanced plants at Ebbw Vale

By Our Industrial Staff

THE BRITISH Steel Corporation is to build two small advanced plants at Ebbw Vale, South Wales, to help attract new industry to the area. Work on the project, which is expected to cost £150,000, will start on the nursery units on the Ebbw Vale industrial estate in November. Completion is scheduled for July next year, and each factory will cover 250,000 square feet. Mr. Ron Smith, chairman of BSC (Industry), said in Ebbw Vale yesterday that the factories were designed for small enterprises which could act as support industries to the larger companies already in the area. The BSC was prepared to accept that the development might run at a loss, but it was important to attract to the area small companies which otherwise would not have the opportunity to develop. The six units are expected to provide jobs for up to 100 people.

## Cargo operator buys two jets

By Michael Dwyer

TRANSMERIDIAN Air Cargo, the U.K. independent operator, has secured two DC-8 jets from McDonnell Douglas for delivery in March and May next year. The jets, formerly owned by Aero Peru, are being converted to an all-cargo role by McDonnell Douglas and will have a payload capacity of 41 tons and a 3,000 nautical mile range. They will be used by Transmeridian on its cargo routes to the Far East and West Africa. Transmeridian aims to have an all-jet fleet by the end of 1978, and to sell progressively its turbo-prop CL-44s.

## Tory strategy to be outlined by Sir Keith

BY PETER HENNESSY, LOBBY CORRESPONDENT

SIR KEITH JOSEPH, Conservative spokesman for Policy and Research, will present a strategy document likely to form the basis of the next Tory election manifesto to the party conference in Brighton next month. The document, described yesterday by Mr. Angus Maude, head of the Conservative Research Department as "comprehensive and dealing with the whole range of policy," will be published shortly before the conference opens on October 3. Sir Keith's explanation of the new Tory strategy will come in a debate on party policy and public relations on its second day. The statement, which has the backing of Mrs. Margaret Thatcher, will probably be more philosophical than specific. Conservative leaders are determined to avoid the mistake they ascribed to Mr. Edward Heath of committing the party to too detailed a programme before taking office. But its paragraphs will be combed for nuances, given the growing expectation in Tory circles that Mr. Callaghan may call an election in the spring.

Lord Thorneycroft, the Conservative Party chairman, who will make an appeal for fighting funds in Brighton, said yesterday that the party was "very ready, willing and able to fight" an election. The conference agenda, published yesterday, has an unusually high number of motions critical of the leadership for being "a shadowless Cabinet" or "pink Socialists," to quote two of the more virulent insults. Immigration inspires no fewer than 140 resolutions (second only to economic policy and education), most of them distinctly illiberal in tone. Mr. William Whitelaw, the party's Deputy Leader, who will reply to the immigration debate, will try to allay the harsher feelings the subject arouses. The conference session on orders.

## New helicopter joins Navy

By Michael Dwyer

THE ANGLO-FRENCH Lynx multi-role helicopter, in quantity production by Westland of Yeovil and Aerospatiale of France, enters service with the Royal Navy today. The Lynx is one of the three helicopters developed under the Anglo-French helicopter agreement. The others—the Gazelle and the Puma—are both in service. The naval version of the Lynx has been ordered by Britain, the Netherlands, France, Brazil and Argentina. There are orders for about 300 Lynxes, including an army version, and Westland is negotiating further foreign orders.

## Choice of fuel

An interim report on fuel prices by the council in May proposed a radical restructuring of the present tariff systems. Most of its demands were repeated in its final report, together with other proposals covering such things as the choice of fuel supply laid on for new houses. It believes that instead of using the threat of disconnection, debts should be collected through the courts. The present tariff structure, under which large domestic consumers pay less per unit of fuel than small consumers, should be replaced by a flat tariff under which all domestic consumers would pay the same for each unit used.

It is also proposed that the fuel cost adjustment clause for domestic consumers in England and Wales should be abolished and replaced by an annual fuel price review and that no homes should be built with only one fuel supply.

The British Gas Corporation, should consider ways of putting consumers automatically on the most favourable tariff. At present more than a quarter of all gas consumers were being overcharged because they were on the wrong tariff.

Mr. Michael Young, chairman of the Council, said NCC said that he accepted that not all the proposals could be implemented immediately. But it was urgent that the Government took some steps to ease the burden of fuel prices on the poor before the winter.

Calls for action are likely to come today from delegates to the council's congress in Birmingham.

## Government agency to build HQ

By Quentin Guirrdham

THE PROPERTY SERVICES Agency is to build its own headquarters on an 18-acre site in the centre of Middlesbrough, having decided that no existing building in the County of Cleveland could accommodate its staff. It is two years since the Government announced that as part of the programme for dispersing 31,000 Civil Service posts from London the 3,000 staff of the Property Services Agency headquarters would move from Westminster, Croydon and elsewhere to Teesside. The Agency, within the Department of the Environment, is responsible for provision of accommodation for all Government establishments.

The location of the new office was announced yesterday by Mr. Ernest Armstrong, MP for North-West Durham and Under-Secretary at the Environment Department, when he visited Teesside. He said the reason for choosing Middlesbrough was its accessibility, allowing recruitment from other parts of the area.

Half the staff which the agency will employ will be recruited locally. The transfer will not start until the Agency has completed much of the work of moving other Departments from London. The cost of transferring the headquarters is likely to exceed £20m.

The new building is expected to be completed by 1984, with the first site work starting in 1980. It will have a floor area of about 500,000 square feet.

Middlesbrough District Council is clearing the site of houses. It is bounded by Corporation Road, Abingdon Road, through Road and Jedburgh Road.

## New steel mill

By Our Darlington Correspondent

A NEW £2m. steel plate rolling mill employing 160 people will be opened today at Gateshead Tyne and Wear for Spartan Redheugh. The mill will handle stainless steel and alloy plate produced at the company's Birmingham works.

## New call to stop fuel cut-offs

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE NATIONAL Consumer Council yesterday repeated its call for the abolition of the fuel authorities' power of disconnection. The new call came in spite of warnings from the Electricity Council and the British Gas Corporation that the move could add up to 10 per cent. to the average fuel bill.

The council, set up by the Government last year to represent the interests of consumers, said in its final report on fuel prices that the reaction of the fuel authorities to the council's proposals was "exaggerated". Ending the powers of disconnection would add at most 1 per cent. to prices and this would be justified in view of the cases of genuine hardship it would prevent.

The council, which was asked to investigate the impact of fuel prices on the budgets of low income consumers last year, said that there was evidence of widespread hardship resulting from rising fuel costs. Poor people had less money to spend on fuel and got poorer, value

for what they spent. The hardship was intensifying as fuel prices rose faster than incomes. The council's special survey of poor people's heating showed that only one-third could warm their homes to recommended levels. Existing social security benefits were not adequate for many households' needs.

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Calls for action are likely to come today from delegates to the council's congress in Birmingham.

SANDILANDS REPORT  
POSES NEW PROBLEMS  
FOR ACCOUNTANCY

## 25 Companies install FASCIA

With the publication of the Sandilands Committee Report on inflation accounting, many companies have found it necessary to examine their methods of recording Fixed Assets.

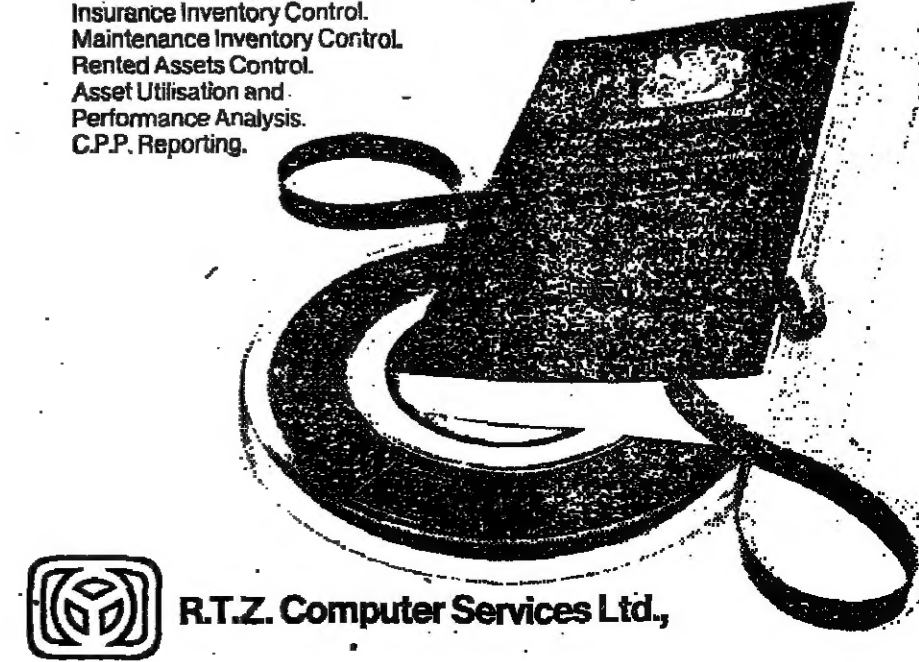
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R.T.Z. Computer Services Ltd.



## HOME NEWS

## State to be a full partner in new offshore oil areas

BY RAY DAFTER, ENERGY CORRESPONDENT

THE BRITISH National Oil Corporation is to become a fully paid up equity partner in all of the offshore fields found under the next round of exploration licences.

As a result of the major change in Government policy, announced yesterday, the State oil company could be faced with hundreds of millions of pounds worth of development costs in the 1980s, which might well lead it to borrow sterling and foreign currencies.

The position is fully recognised by the Treasury and the Energy Department, which have sanctioned the Corporation's commitment. Mr. Anthony Wedgwood Benn, Energy Secretary, said that the obligation recognised the Corporation's growing importance as an oil company in its own right.

In the draft conditions for the fifth round of licences, to be awarded at the end of this year—the corporation was being

given a majority stake in all licences, but it had the option to be "carried" during the early development stages of any field found.

In essence, it would have paid back to oil industry partners its share of development costs plus interest once the field started to produce oil and revenue. It is believed that the Treasury objected to the corporation being given an open cheque.

The oil industry objected strongly to this option, however, claiming that it was being asked to act as the corporation's unofficial banker at a rate of interest which did not reflect the risks involved.

As a result of yesterday's announcement, the corporation will "pay as it goes," a move welcomed among oil companies which are now preparing applications for the 71 blocks and parts blocks being offered in the fifth round.

Mr. Wedgwood Benn and Lord Kerton, chairman and chief

executive of the corporation, said yesterday that by the 1980s, when development capital would be needed, it would be receiving substantial revenue from its present involvement in the North Sea.

In 1978, for instance, it should receive more than £250m. from oil produced from its share of various fields, including Thistle, Ninian, Dunlin and Statford.

Consequently, it would be in a position to raise capital in the same way as other oil companies. At present, its borrowing limit is set at £600m, although this limit can be increased to £800m by a Commons resolution.

Mr. Wedgwood Benn said that the "pay-as-you-go" decision marked a turning point in the development of Britain's oil policy. A long list of the British people can look forward to becoming real majority partners in the ownership and operation of all the oil that is discovered in

the new blocks to be licensed. The corporation would emerge as a "major force in the world's oil industry."

The corporation, backed by the Government, is taking a bold step. Oil fields now cost several hundred million pounds each to develop—Pan Ocean's Brae Field might well cost £1bn, for example—and the corporation is to have a 51 per cent. stake in all of the fifth round discoveries.

By the end of this year, the corporation should have a total of about 400, although it has begun to build up technical expertise through the acquisition of Burmah's offshore interests.

Negotiations are still continuing to give it a majority stake in the present offshore interests of companies such as BP, Shell and Esso.

These talks were being pursued even more vigorously, said Mr. Benn. "It is a case of will and determination."

North Sea Oil Review, Page 26

## Scottish agency buys U.S. company

By Ray Perman, Scottish Correspondent

THE SCOTTISH Development Agency, the equivalent north of the border of the National Enterprise Board, yesterday announced its first acquisition—an American-owned electrical company.

Mr. Lewis Robertson, the agency's chief executive, said in Glasgow that the equity of Ranco Motors had been bought for £1,275,000, and that the agency would put as much as £1m into the firm to finance expansion.

The company was owned by Ranco Inc. of Columbus, Ohio, which decided to sell because the subsidiary's products—electric motors for household appliances and air conditioning—were outside the group's main activities. Ranco Motors made a pre-tax profit of £404,000 last year, and Mr. Robertson said he was confident about its future.

The agency's first venture into industry may well be used as a target by critics of industrial aid to Scotland. The North East Economic Development Council has already asked for its grant to be brought into line with the £300m. promised to the agency. Some Labour MPs are considering whether their support for the Government's devolution Bill should be conditional on extra aid for depressed regions of England.

The Industry Act Report, published yesterday, showed that Government selective assistance to Scotland under section seven, for example, increased by nearly one-fifth to £25m. last year, and regional development funds rose by more than half to £98.5m.

## Investment 'aids U.K. balance of payments'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE NET EFFECT on the balance of payments of all items connected with international investment in and out of the U.K. has been both favourable and unsteady, average some £20m. a year in the past three years, according to the Treasury.

The latest issue of the monthly Economic Progress Report, published this morning, contains an article clearly designed to answer "some critics" who continue to argue that the U.K. is exporting capital on a massive scale to the detriment of the official reserves, the balance of payments and the exchange rate, with the result that the Government is forced to run the economy at a lower level of demand and higher level of unemployment than would otherwise be necessary.

The article seeks to show that "criticisms on these lines are usually based on misunderstandings," and that the net additions to the U.K.'s overseas investments in recent years have been financed in such a way that the reserves have been fully protected.

The Treasury suggests that this misunderstanding has arisen partly because of the way the word "investment" is used in balance of payments accounts. This means something quite different from what is meant by the word in discussing capital spending in the economy. It is also necessary to take account of unremitted profits and borrowing in foreign currency.

Accordingly, the article presents the figures in a way which brings together all the identified items in the balance of payments accounts relating to international investment.

The result, according to the Treasury, is that the net impact of U.K. private investment overseas has boosted the reserves by an average of more than £10m. in the past three years.

This benefit rises to about £21m. a year, if account is taken of overseas investment in the U.K. private sector. This will have obviously been affected by North Sea oil activity, though this is not mentioned in the article.

The Treasury claims that the overall effect of exchange rate movements is that "new" overseas investment by U.K. companies cannot cost the reserves a significant amount. Moreover, via the rules on remitting profits and borrowing, substantial funds from overseas investments are ensured from existing overseas investments.

The article speaks of how unremitted profits, or profits retained overseas, contribute to financing of overseas investment, and in particular how during the last three years the net additions to British overseas investments have been financed in such a way that the overall effect on the reserves has been favourable.

The Monthly Assessment says that output was continuing to rise in the second quarter, but growth was slower than in the first quarter. The Treasury also refers to the fact that the weekly figures show that manufacturing production rose rather faster in the second quarter than in the first.

## Garages to show clearer prices

By Elinor Goodman, Consumer Affairs Correspondent

THE OFFICE of Fair Trading has finally won the agreement of the petrol retailers and the major oil companies for a national code of practice for petrol prices to be displayed and to be pressed.

The agreement should bring an end to vague signs outside garages offering the customer such uncertain benefits as a "4 p.p.g. posted pump price" or a "selling petrol at reduced prices, which will have to be paid by the cash customer and the higher price a gallon from when the reduction is claimed."

The garages have also agreed that when price reductions are claimed, a clear indication will be given of the price of the petrol, when the discount offered does not apply to the star. This, it is hoped, will bring an end to the situation where garages try to encourage people into their stations by offering "cut prices" on low grade petrol, but then refuse to sell the same grade of petrol when not cutting the price of the by selling four star brands.

Price offers will have to be clearly and prominently stated in displays and any "specials" must be clearly marked as such. In addition, the type of petrol used in the main display must be clearly marked.

The agreement follows a meeting of the Office of Fair Trading and representatives of both the petrol retailers and the major oil companies. The discussions followed reports of widespread confusion among consumers during the price cutting war on petrol.

As part of the agreement, the O.F.T.'s proposals strongly to meet the proposals.

## Atlantic air traffic rises 13%

The number of passengers carried across the North Atlantic by the member-airlines of the International Air Transport Association in the first six months of this year amounted to 4.76m, 13 per cent. more than in the first half of the previous year.

Of this total, over 4.5m. Atlantic passengers were carried on the scheduled flights of the IATA airlines, or 11.1 per cent. more than in the first six months of 1975.

The charter operations by the IATA airlines also showed a considerable expansion, the number of passengers rising by 30 per cent. to reach nearly 500,000.

CBI warning

Unless productive industry did better than its best performance since the war, Britain "is effectively just a viable industrial nation," Lord Wilkins, president of the Confederation of British Industry, warned yesterday at a lunch in London. He called for a dramatic increase in company profitability and better rewards for managers and skills.

Rail fares rumour

British Rail last night firmly denied reports that a confidential document had been circulated to senior staff proposing a two-stage fares rise next year. It said no decision had yet been taken on the size or timing of fares rises.

Layfield probe

Organisations giving evidence to the Layfield Committee of Inquiry into local government finance should produce comments on the report by the end of November, a deadline for comment, Mr. Guy Barnett, Parliamentary Under-Secretary for the Environment, said yesterday.

Technical hitch

A "national crisis" is looming because of the falling interest among youngsters in studying for a degree in technology, Mr. Barry Taylor, chief education officer for Somerset, said yesterday.

TriStar deal

Sir Frank McAdam, chairman of British Airways, yesterday signed in London the £126m. order for six of the new long-range version of the Lockheed TriStar airliner, with an option on a further six.

Coal field found

Official confirmation that Britain has a new coal field, under the Vale of Belvoir in the Midlands, came yesterday from the National Coal Board. A decision on whether to mine the 450m. tonnes coal reserves will be taken next year.

NCB consultancy

The National Coal Board and Woodall-Duckham are to form a partnership which will be called Coal Processing Consultants providing international consultancy on coal.

John Lewis profits

Profits in the John Lewis Partnership in the first half of this year were £170,000 down on the same period last year at £27.5m.

Mermaid plan

Plans to extend the Mermaid Theatre buildings in the City of London including an office block, a children's theatre and a new restaurant have been submitted to the City Corporation by the charitable trust responsible for the theatre.

## BANK RETURN

	1975	1976
<b>LIABILITIES</b>		
Capital	1,000,000	1,000,000
Public Deposits	1,000,000	1,000,000
Special Deposits	1,000,000	1,000,000
Bankers	1,000,000	1,000,000
Overseas	1,000,000	1,000,000
Other	1,000,000	1,000,000
<b>ASSETS</b>		
Govt. Securities	1,000,000	1,000,000
Advances	1,000,000	1,000,000
Other	1,000,000	1,000,000
<b>ISSUE DEPARTMENT</b>		
LIABILITIES		
Notes	1,000,000	1,000,000
Coin	1,000,000	1,000,000
Other	1,000,000	1,000,000
<b>ASSETS</b>		
Govt. Securities	1,000,000	1,000,000
Advances	1,000,000	1,000,000
Other	1,000,000	1,000,000

## Truck industry urges review of weight restrictions

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

BRITAIN'S COMMERCIAL vehicle industry, one of the most successful exporting groups in the country, yesterday began what promises to be another sustained campaign to raise the weight restrictions in the U.K.

The new effort to try to persuade the Government to come more into line with European practice comes only days after Mr. William Rodgers took over as Transport Minister with a seat in the Cabinet.

There are hopes that the new minister will review the present policy, which has fixed the British maximum lorry weight at 32 tons against a more general 35 tons on the Continent.

Speaking just a week before the beginning of the London Commercial Motor Show, Mr. David Plaster, president of the Society of Motor Manufacturers and Traders, said yesterday that heavier lorries would produce an immediate benefit in cost, environmental effect and reduced congestion, because fewer vehicles would be needed to carry the same loads.

Mr. Plaster said the trucks would look no different from those of today, and would still have to comply with similar noise, safety, pollution and other legal requirements.

"They are a bonus which Britain is today denied — and the lack of a home market for such vehicles also makes Britain's industry less competitive with the big international

competitors in the market."

Representatives of that truck manufacturers insisted yesterday that the industry was ready to face an expansion in demand if the Government relaxed its restrictions.

There might be output difficulties to begin with, they said, but the British industry would be able to cope and prevent a larger slice of the market going to imports.

Nevertheless, figures for the industry so far this year indicate that imports across the board are rising. Against a 9.2 per cent. penetration last year, imports have gone up to 12.5 per cent. in the first eight months, and some commercial vehicle dealers fear that the British industry

has still not got adequately free supplies at the top end of the range.

On the other hand, there is considerable spare capacity in vehicle assembly operations. Sales this year are expected to reach 220,000 vehicles, including all light commercials, about 3 per cent. down on 1975, and 28 per cent. below the boom year of 1973.

Next year the SMMT is expecting sales to come out of the present trough and rise by about 3 per cent., and by the end of 1977, output should be back to the level of last year.

"All the indications are that the improvement in the truck business is running about nine months behind that of cars."

## Reverse for car output

U.K. CAR production, which has

risen steadily so far this year, was thrown into a sharp reverse last month by the series of disputes which hit British Leyland plants throughout the country (writes Terry Dodsworth).

The effects of the Leyland strikes were shown yesterday in production figures issued by the Department of Industry. August car production of 64,772 units put in the first eight months last year was 6 per cent. lower than in the corresponding period of 1975, with production for the home market falling by 15 per cent. and production for export rising by 4 per cent.

other manufacturers into

account. In the first eight months, however, car production was 5 per cent. higher than in the same period last year. Production for export rose by 2 per cent. and for the home market by 8 per cent.

Commercial vehicle production, at 18,033, was 12 per cent. below the level of August, 1975. Output put in the first eight months last August was 6 per cent. lower than in the corresponding period of 1975, with production for the home market falling by 15 per cent. and production for export rising by 4 per cent.

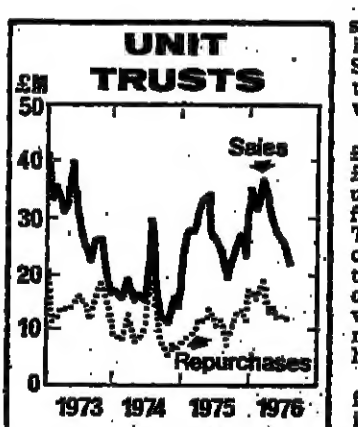
## August unit trust sales £21.7m. reach lowest point this year

BY CHRISTOPHER HILL

UNIT TRUST sales fell in August and were "fairly depressing," according to Mr. Tim Simon, chairman of the Unit Trust Association, but for the relatively low state of stock-market turnover generally during the month. While sales of £21.7m. were the lowest this year—£3.6m. below the July figure—repurchases also fell by £1m. to a low of £11.5m. and were considerably down on the average of £14.5m. for the first eight months of 1976.

This left net new investment at a low point for the year at £10.2m. for August, compared with £13.3m. for July—considerably less than the average of £16.1m. per month for 1976 to end August.

The sales figures show that unitholders have been influenced by the trend of the U.K. stock-market in that sales have slowed



down. However, the pattern of previous years persists because there is a general reluctance to cash in units and to pull out of the market. The majority of sales

still appear to be in the area of income and international funds. Share exchange schemes and unit-linked sales also seem to be very important.

The value of funds fell to £24.7bn. during August from £25.2bn. and the number of unitholders also fell from 2.15m. to 2.14m. The Unit Trust Association has pointed out on previous occasions that the apparent fall in the number of direct unitholders has to be viewed against the rise in the number of unit-linked policyholders.

The cumulative figures for the first eight months of 1976 also indicate that the trend is far from encouraging. Net investment has fallen from £136.5m. in 1975 to £128.0m. which may be a lot higher than the £55.3m. achieved during the first eight months of 1974 but is still poor when compared to recent trends.

## ANNUAL REPORT ON THE INDUSTRY ACT 1972

## Government aid for year tops £600m.

BY ADRIAN HAMILTON

GOVERNMENT assistance to industry rose to over £600m. in the last financial year, including £220m. of commitments in rescue operations for individual companies, such as Chrysler and Ferranti, according to the annual report on the "Industry Act 1972" published by the Government yesterday.

The report contains a mass of detail of the levels and direction of assistance under the various provisions of the Industry Act in the last financial year, but carefully avoids totalling either the volumes of aid to industry or the amounts paid to particular regions or industries. It does show, however, a steady increase in the level of assistance with, more significantly, a rapid rise in the amounts made available for selective assistance to industry both in the regions and through the various industry aid schemes.

The bulk of industrial assistance continues to be in the form of regional incentives handed out by the Department of Industry, which in the last financial year totalled £225m. compared to £213m. in the previous 12 months. In addition to this,

offers of regional selective financial assistance under Section 7 of the Industry Act totalled £76m. compared with £72m. in the previous year, directed at creating or safeguarding 63,000 new jobs in the Assisted Areas, including £25m. offered to individual companies in financial difficulties. The latter category consisted mainly of Ferranti (which received £15m.), Triang Pedersen (1971) (up to £3.5m.), and assistance of up to £1.95m. in connection with the purchase of the assets of the Rosedale Group by Linpac Containers.

In terms of areas, the Northern area received the largest amount of regional incentive grants, at £107m., closely followed by Scotland, at £98m., and then the North-West and Wales, each with more than £47m.

When offers of regional selective financial assistance under Section 7 are considered, however, Scotland comes out better, with assistance approved during the year of £28.5m. out of the total £78m. (including the more than £22m. made available in the Service Industry Grant Scheme), £22.13m. in the previous 12 months. In addition to this,

gained the major proportion of offers in England, at £18m., followed by the Northern region at £6.5m.

These and other forms of regional assistance are welcomed by the Secretaries for Industry, Scotland and Wales as doing much to aid employment and investment. But the detailed figures, particularly for selective assistance, suggest that the number of applications has fallen in many areas, partly as a result of the recession, and that the volume of selective assistance under section 7 actually declined last year in the major development regions of England. Instead, the major growth in selective aid has been under Section 8 of the Act, under which aid can be provided for national reasons.

The most politically sensitive, and certainly the most dramatic, part of this aid has been the rescue operation. Excluding the individual application for assistance under the aid schemes, the number of "rescue" applications for Section 8 funds totalled 16, of which seven were withdrawn or rejected. Seven offers of

assistance were made with commitments totalling £195m.—a massive rise in the amount of assistance involved, although not a large change in the number of companies compared with the previous year. The major items in these commitments were the assistance given to Alfred Herbert, British Leyland, Chrysler, Cambridge Instrument, Data Recording Instrument Company, KTW Machine Tools (Holdings), Norton Villiers Triumph, and Synco Motors.

In addition, the figures show large-scale aid to the ship-building industry under Part III of the Act in the form of grants and loans. Total guarantees under the home credit scheme for ship-building rose from £795m. to £896m. over the financial year. Also, the payment of grants under the construction grant scheme for ship-building amounted to £4m.

The major feature for the future of industry aid, on the other hand, may well be less in rescue operations and regional assistance, than in the industry aid and selective

schemes now being developed. Most of these had just started in the last financial year and commitments under them totalled only £20m. But the Government has made available well over £200m. for these schemes, and the amounts committed during this financial year are likely to be considerable.

In publishing the report, the Department of Industry says that assistance has continued at high levels since the beginning of the financial year.

Over £140m. has been paid in regional development grants, and about £20m. has been offered under the Accelerated Projects Scheme and the Industry Aid schemes.

The report includes the Government's tighter and more commercially oriented criteria for assistance to industry presented to Parliament last January, which set out the principles under which applications for financial assistance are considered.

"Industry Act 1972, the annual report for the year ended March 31, 1976, published by the Stationery Office, price £1.35.

## Call to end price pegging

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE PRICE Commission is to propose an end to the system of recommending retail prices for electrical household appliances.

In a report to be published on Monday, the Commission, which was asked to report on the prices of household appliances by Mrs. Shirley Williams, then Secretary for Prices and Consumer Protection, concludes that recommending retail prices are virtually meaningless. They could confuse customers, by enabling retailers to claim big price cuts from a level at which, in reality, very few products are being sold.

Last month Mrs. Williams announced that she was asking the Price Commission to take a wider look at the question of recommending retail prices following its findings of the small electrical appliance market, and it may well be that the system of recommending retail prices may be curtailed in a number of other areas.

If recommended retail prices were terminated on appliances it would mean that retailers would no longer be able to boast of

price cuts like "30 per cent. off recommended retail price," but would have to find some other way of advertising their prices.

The Commission found that in general the trade is very competitive. However, it concluded that as manufacturers' retail prices are hardly ever observed by the retailer, they are now obsolete.

The system of recommending retail prices arose after the abolition of Retail Price Maintenance in the mid-60s. At that time a large number of retailers bought their appliances from wholesalers, but now a far larger proportion of shops are buying their stock direct from the manufacturers and negotiating their terms individually.

As a result many of the big multiple chains are able to buy at better terms than the whole sellers and thus sell at considerably below the recommended retail price. A survey carried out by the Commission by the Consumer Association found that prices studied were the same as recommended retail prices.

It is quite clear, the report says, that the "present discount structure bears little relation to current commercial reality." Recommendations of retail prices, it states, are no doubt a convenient device to promote sales, but they can mislead the consumer who may be induced to buy under the impression that they are getting a better bargain than they really are.

## Carr and Coates drop stockbroking merger

BY MARGARET REID

THE MERGER under discussion since June between two firms of London stockbrokers, W. L. Carr and Sons (Overseas), is held by Jardine Matheson, the Eastern trading group, has ended amicably, it was announced yesterday.

The get-together plan was one of a number decided on and explored in recent months, during which low level of stock market turnover has led some brokers to review possibilities of economising through amalgamations.

Both Carr and Coates are much the same size, with about 200 partners and staff. Carr specialises in international stocks and has more than 45 staff at its offices in Hong Kong.

Tokyo, Dubai and Geneva. A 15 per cent. stake in its Hong Kong concern, W. L. Carr Sons (Overseas), is held by Jardine Matheson, the Eastern trading group, has ended amicably, it was announced yesterday.

Mr. David Dickson, Carr's senior partner, said yesterday that with his firm so large in the Far East it had proved a difficult operation to put the two concerns together, but that they remained amicable and close.

Asked whether Carr was still trading profitably against the odds, Mr. Dickson replied: "We are operating currently at a loss on a day-to-day basis over the past few weeks; very few people are making money."

## COMPANY NOTICES

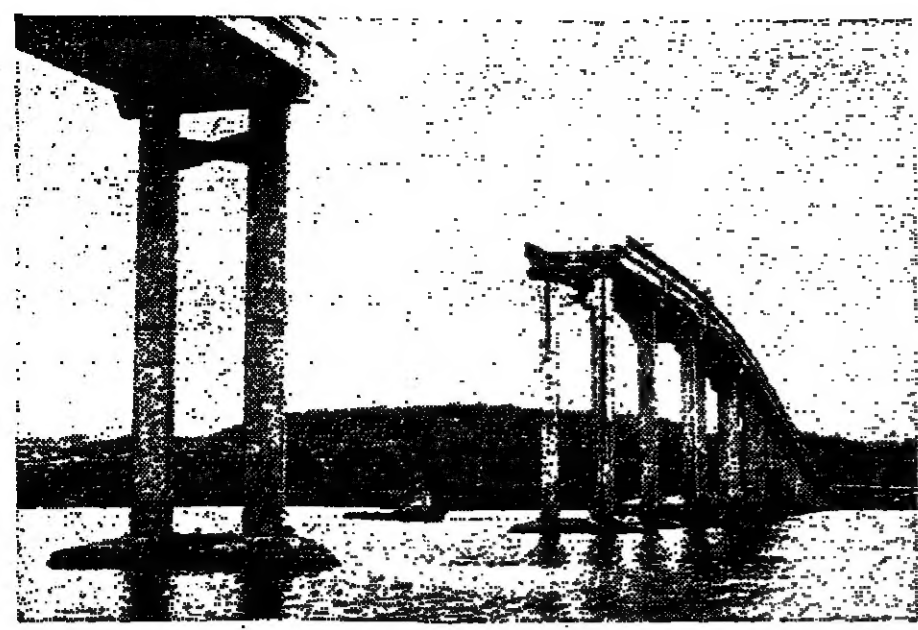
**CHARTER CONSOLIDATED LIMITED**  
CONVERSION OF LIABILITIES INTO EQUITY  
NOTICE is hereby given that the Board of Directors of Charter Consolidated Limited, a company incorporated in England, has resolved to convert the liability of £100,000, being the amount of the loan account of the company, into equity, and to issue new shares of £100,000 in lieu thereof. The conversion will be effected by the issue of new shares of £100,000 in lieu of the loan account, and the new shares will be issued to the holders of the loan account in proportion to their respective holdings. The conversion will be effected on or before the 31st day of October 1976.

**THE SHILL, TRANSPORT AND TRADING COMPANY LIMITED**  
NOTICE is hereby given that the Board of Directors of The Shill, Transport and Trading Company Limited, a company incorporated in England, has resolved to convert the liability of £100,000, being the amount of the loan account of the company, into equity, and to issue new shares of £100,000 in lieu thereof. The conversion will be effected by the issue of new shares of £100,000 in lieu of the loan account, and the new shares will be issued to the holders of the loan account in proportion to their respective holdings. The conversion will be effected on or before the 31st day of October 1976.

**NOTICE TO HOLDERS OF DEFERRED SHARES**  
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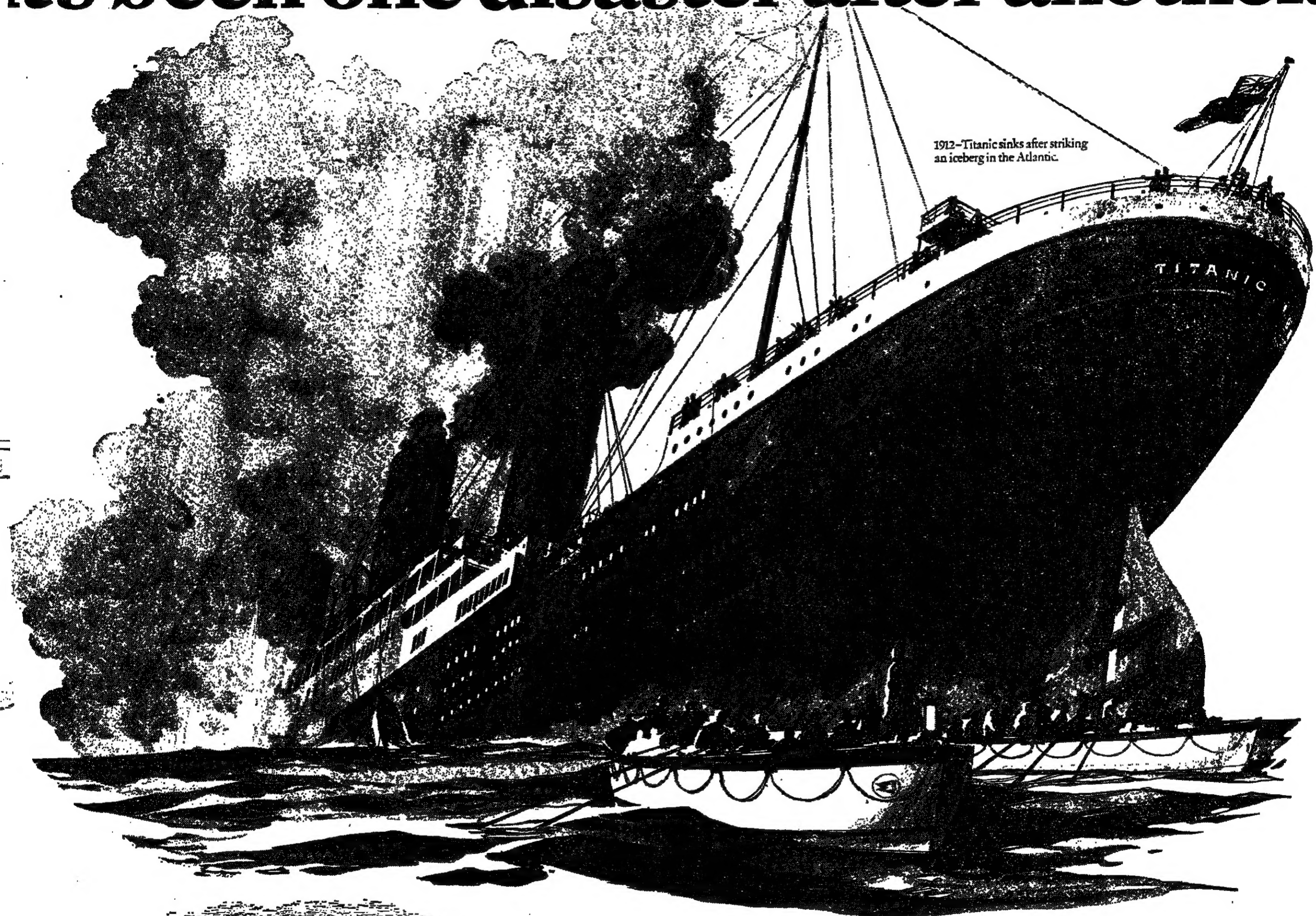


1975-Cargo ship rams Tasman Bridge, which collapses onto the ship, sinking it.

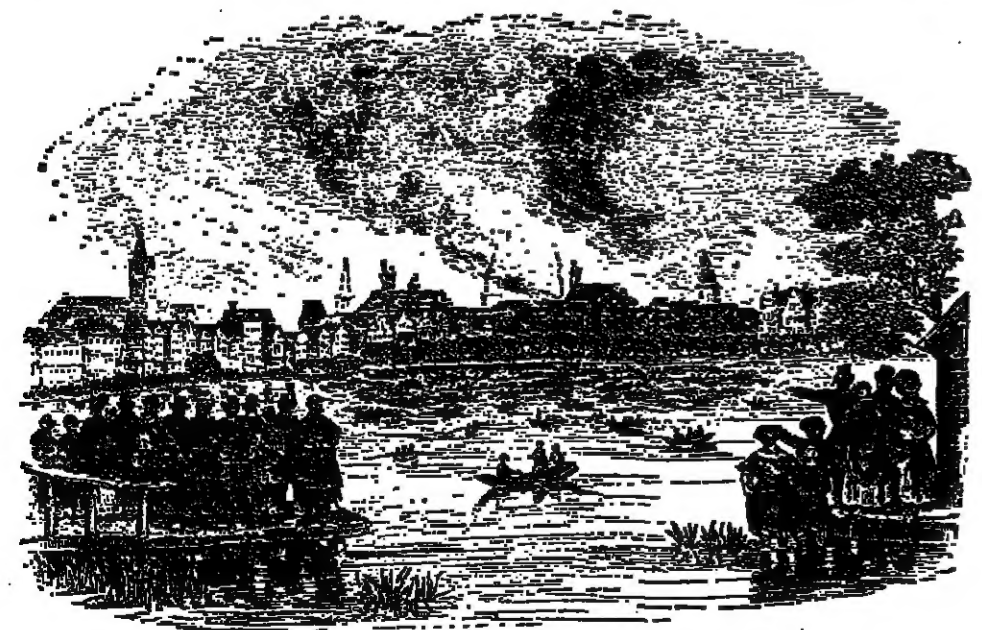


1953-Heavy rain and high tides along the East Coast cause the worst flooding in living memory.

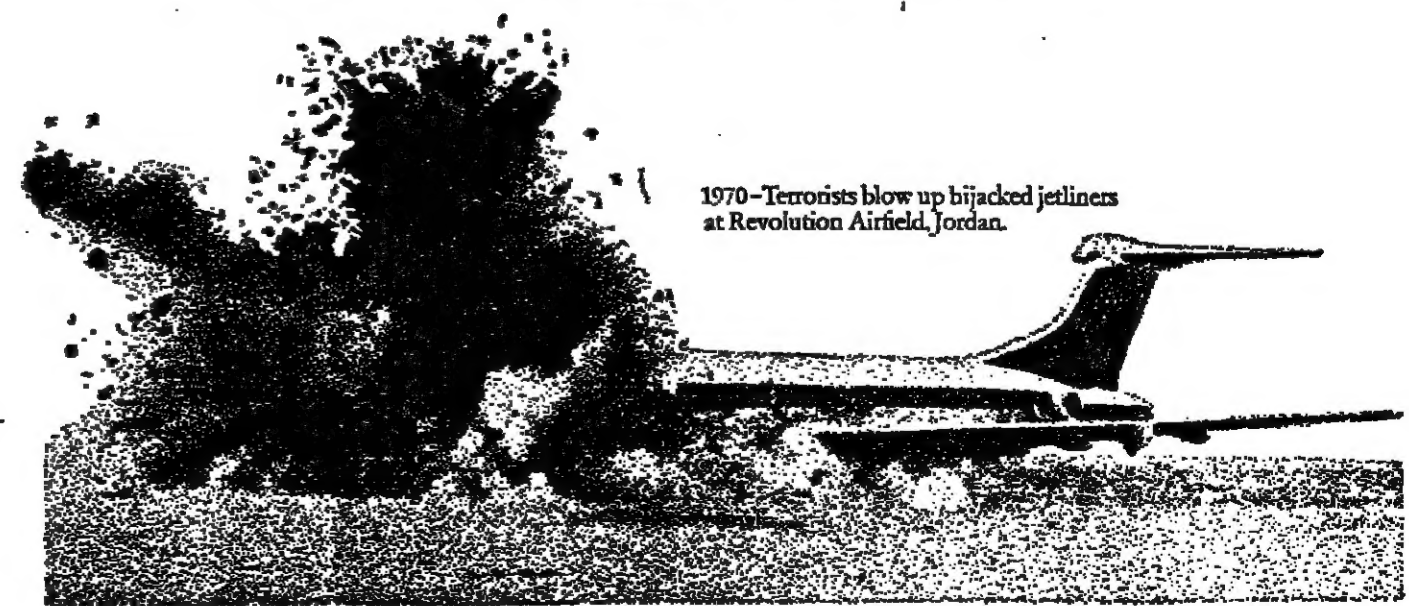
# Since we started in business it's been one disaster after another.



1912-Titanic sinks after striking an iceberg in the Atlantic.



1842-Much of Hamburg destroyed following the 'Great Fire'.



1970-Terrorists blow up hijacked jetliners at Revolution Airfield, Jordan.

Even in the best run businesses, the occasional setback is bound to occur from time to time. Now if you're thinking that we appear to have had more than our fair share, we would point out that we've been in the insurance business for over 255 years. So it's not really surprising that we've been involved in some monumental disasters.

Yet in each instance we paid up without quibbling or delay. And this fact has undoubtedly helped us to become one of the largest insurers in Britain. Because nothing does more to enhance the reputation of an insurance company than a demonstration of its ability to pay up when things go wrong.

Because when it comes down to it, isn't that what the insurance business is all about? Head Office: Royal Exchange, London EC3V 3LS.

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# Why you must tip shop assistants

By PAUL LENDVAI, Vienna Correspondent

MEAT is up, and vegetables are up, but the Budapest joke factory has not lost any of its proverbial zest. "What is the difference between Boris Onischenko, the Soviet fencer disqualified at Montreal for doctoring his foil, and Adolf Hitler?" — Both used secret weapons, but only Onischenko's worked.

It may not be the highest of wit, but it does help to cope with the annoying difficulties of everyday life, which in any case are nowhere near as troublesome as those that led to rioting in Poland at the end of July.

The 30 per cent. increase of meat prices in July and unexpectedly high seasonal prices of fruit and vegetables clearly constitute a problem for the regime. Though according to all available evidence, consumer grumbling did not go beyond the accepted limits, regime spokesmen and the controlled Press themselves admit to a sense of malaise and rising dissatisfaction with the economic situation.

The Hungarian party has not forgotten the lesson of 1956 and still treats people as adults who must be told in time when and why price increases are necessary. The fact for example that there was more than a year's notice of the increased meat prices helped to defuse a potentially critical situation. What the Government did not reckon with was the simultaneous increase of vegetables, fruit and potato prices.

No one tries to pretend that these increases are due to "imported inflation." It is now publicly admitted that the difficulties are primarily traceable to the fact that the private plots

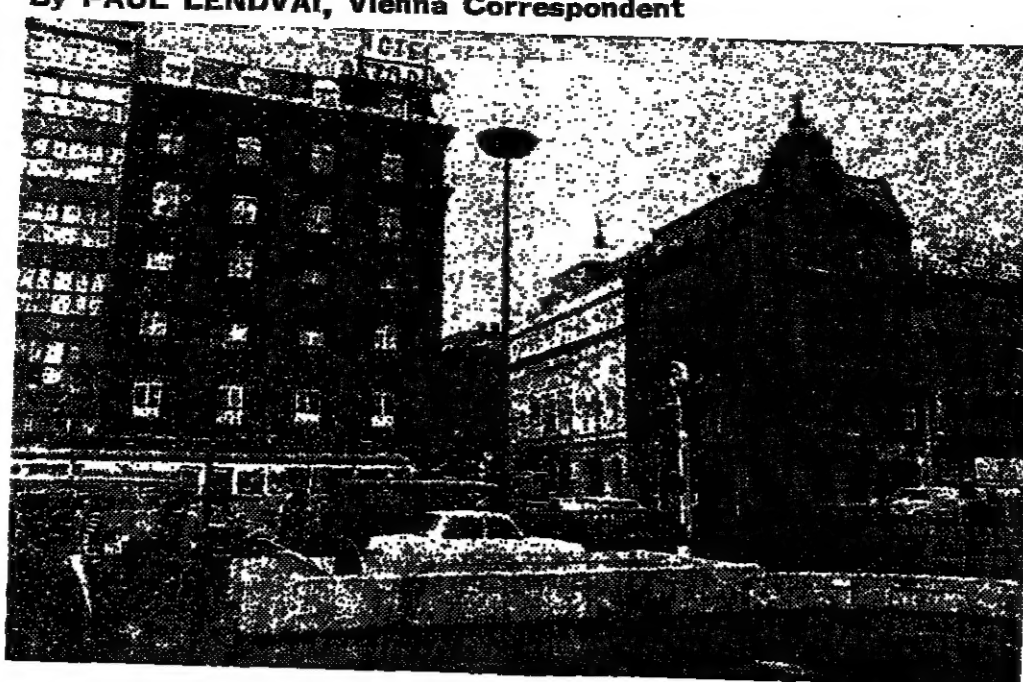
of collective farmers and of urban families, which produce 30 per cent. of the total farm output and an even higher proportion of essential foodstuffs, have been neglected by officialdom. Other reasons, less often discussed, are the export commitments to Comecon partners, in the first place the Russians, and the need to earn foreign exchange in the West.

## Mechanism

This summer's difficulties, however, may turn out to have been a blessing in disguise, since they have shown that Hungary needs the stimulus of its flexible economic mechanism. And they have also shown that the many opponents of that mechanism have no counter-proposals of their own. The mechanism has been modified, of course, and many of its exponents here had to retreat, though for different reasons. In 1974-75 there was a series of measures designed to syphon off surplus purchasing power through higher taxation on smallholders, the limiting of "premiums" and of spare time jobs.

Non-essential imports have been radically reduced, and economic management has been to a certain degree recentralised. The damage this has caused is now increasingly obvious. Slogans about "workers' democracy" coupled with attacks on the alleged enrichment of farmers and the 30,000 private artisans and shopkeepers, may have satisfied some parts of the party apparatus. But they have failed to solve the structural economic problems.

Managers and experts have



A Budapest street scene: they are quite well off by Comecon standards.

had their take-home pay reduced by 10-20 per cent. without seeing any incentives to improve operations. But Hungary needs the best available brainpower if it does not want to lag even farther behind the West.

According to official figures, about 15 to 20 per cent. of working time is wasted by poor organisation and shortage of materials and machinery. This equals the work of 600,000 to 800,000 workers according to a recent

article in Nepszabadsag, the party newspaper. Statistics show for example that while in Italian industry the number of auxiliary personnel and white-collar workers is equivalent to 67 per cent. of the productive industrial labour force, in Hungary the ratio is 113 per cent.

The recession in the West and the simultaneous deterioration of the terms of trade within Comecon have only helped to confirm rather than contradict

the essential arguments of the reform camp. Without meaningful incentives, the absence of which explains, for instance, why Budapest shop assistants are so utterly uninterested in serving the customer without hefty tips, there can be no sustained upswing in industry and agriculture.

Hungarians know that they live better than most others in the Soviet camp, except for the East Germans and Czechs. But

it is now realised that they can only cope with external and domestic difficulties if there is a change in public spirit, in social discipline, in human solidarity.

The immediate impressions in Budapest, now in the throes of major development projects, may be somewhat misleading. While it is true that the number of cars for example doubled to 550,000 between 1970 and 1975, it must also be said that there are still only 53 cars per 1,000 inhabitants compared with 230 in neighbouring Austria.

Without more room for personal and group initiative, the mixture of corruption and inefficiency hampering the development of tourism and the services sector cannot be eliminated. Men such as the new Premier, Mr. Gyorgy Lazar, and his able deputy and planning chief, Mr. Istvan Huszar, who was promoted to the Politbureau last summer, are aware of the priorities.

At 64, Mr. Janos Kadar, the Party leader for almost two decades, is firmly in the saddle and his popularity has not been dented by the supply difficulties. He and men dedicated to his middle-of-the-road course dominate the top Party bodies. The offensive of some ambitious functionaries and hard-liners in the Party and state administration appears to have petered out. But Hungary is still in a difficult transition period, and much will depend on the will of the leadership to resist the temptation of a full-scale recentralisation which in the long run could prove much worse than the ills it is supposed to cure.

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## Entertainment Guide

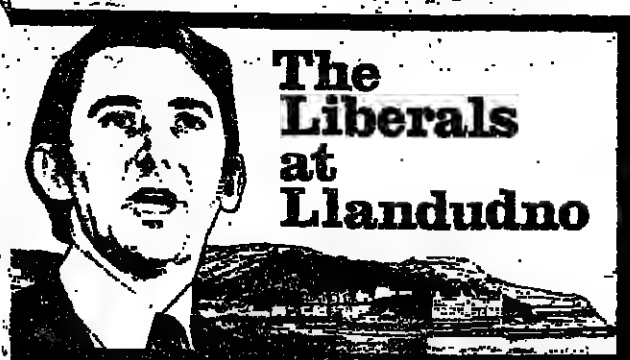
OPERA AND BALLET

COLISEUM 01-435 3161  
LONDON NATIONAL OPERA  
Tonight 7.30 Don Giovanni  
Tomorrow 7.30 The Marriage of Figaro  
Tuesday 7.30 Tosca  
Wednesday 8 Salome  
COVENT GARDEN 01-435 3161  
Tonight 7.30 Don Giovanni  
Tomorrow 7.30 The Marriage of Figaro  
Tuesday 7.30 Tosca  
Wednesday 8 Salome  
ROYAL OPERA HOUSE 01-435 3161  
Tonight 7.30 Don Giovanni  
Tomorrow 7.30 The Marriage of Figaro  
Tuesday 7.30 Tosca  
Wednesday 8 Salome

THEATRES

ADOLPHUS 01-435 7011  
Tonight 7.30, Sat. 8.30 & 9.30, Thurs. 2.15  
LONDON'S BEST NIGHT OUT  
Tonight 7.30, Sat. 8.30 & 9.30, Thurs. 2.15  
ROYAL OPERA HOUSE 01-435 3161  
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## The Liberals at Llandudno

Report by Philip Rawstone and John Hunt

## Freud condemns schools motion as 'spineless'

DEBATE on education, one of the most important items on the Assembly agenda, collapsed yesterday after Mr. Clement Freud, MP for the Isle of Wight, and former party spokesman on education, tried to prevent it taking place by moving a motion of Standing Orders.

Mr. Freud also opposed by Mr. Alan Smith, MP for Berwick-upon-Tweed, who is the party spokesman on education.

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## Vote system must not deter us, says MP

THE LIBERALS will join other EEC Liberal parties in contesting the direct elections to the European Parliament on a common programme.

By an overwhelming majority, the Assembly ratified the party's membership of the Federation of Liberal and Democratic Parties of the European Community, formed earlier this year.

With the decision came a warning from Mr. Russell Johnston, MP for Inverness, that the party could not afford to boycott or disrupt the elections as a protest against the British electoral system.

Mr. Johnston, who declared his intention to stand as a candidate for the European Parliament, said there was a real possibility that the Liberals could poll millions of votes in this country without winning a seat.

"Understandable reaction is that many Liberals are calling for disruption of the elections and some are even calling for their boycott," he said.

"But we fought for Europe. We were, and are, the party of Europe," he said. Liberals could not abandon their long-held hopes of a supra-national grouping.

"That we will face a system whose bias is grossly unjust seems inevitable and I blame none who is driven by unhappy frustration to some sort of civil disobedience," he declared.



MR. RUSSELL JOHNSTON

"But as a party, we can no more dodge the challenge of these elections, than, on the same system, we dodged the domestic challenge after the disaster of 1975."

"What we did then was to fight back and four years later, to garner 6.1m. votes. It was that achievement which, more than any other single thing, has brought electoral reform to the centre of political debate in this country."

Mr. Richard Moore said that the forming of the federation was "a great development in political democracy" that would carry Liberal policies across national frontiers.

But there were criticisms from Young Liberals of the policies of some of the Liberal Party's new partners in the federation.

Prof. Michael Fogarty also issued a warning to delegates, against the "fanatically anti-religious attitudes of some of the European parties."

Mr. Kenneth Vaux, party chairman, and Miss Margaretta Holmes, international liaison officer, assured the Assembly that the party's conditions for joining the federation had been fully met.

"There is a real Liberal family in Europe," said Miss Holmes.

## Demand for democracy in the Health Service

A RESOLUTION calling for democratic control of the National Health Service together with a large measure of supervision by bodies chosen by the electorate was passed overwhelmingly.

It was accepted despite an angry protest from Mrs. Kina Avebury, Parliamentary candidate for Orpington and wife of Lord Avebury who, as Eric Lubbock, originally won Orpington for the Liberals in a famous by-election.

Criticising the vague nature of the resolution, she declared: "I am getting sick and tired of working in a vacuum. It is a useless resolution. We want a decent policy and decent machinery within the party to promote policy."

She argued that the resolution ignored the policy documents issued by the Government in recent months. It merely reiterated the Liberals' worthy and well-known commitment in participation and devolution.

Speaking for the motion, Dr. Jim Harris, a general practitioner and Parliamentary candidate for Selkirk, said the motion embodied a radical, some would say revolutionary, proposal.

"It is time the people ran the NHS. I have heard talk of crisis in the service for years now. But I have never seen any real evidence that any Government is prepared to do more than talk about it."

He moved an amendment that democratic control should be introduced into the management of each health service establishment. This control would be based on district and neighbourhood councils in partnership with health workers.

In its eventual form, the rest of the resolution called for the retention of a major spending Department of State for the health service but with devolution of full executive control of the service to elected assemblies in Wales, Scotland, Northern Ireland and the English regions.

Responsibility for maintaining standards would rest with central Government.

Mr. Robert Sheldon, Financial Secretary to the Treasury, said that differentials here were narrower than in many Communist countries, including China and Poland.

The consequences for the economy were extremely serious. They went well beyond the important question of fairness to the people concerned. The quality of management was one of the most important determinants of economic growth.

The country needed a free transfer of experience between industries, the most important single step to increasing economic growth, but trying to fix a gross salary to attract the right people either resulted in a devious after tax increase or a distortion in the salary scale. So there was mass emigration of managers, technologists and professional people.

The only way to create a proper system of rewards and incentives was to have clear pre-tax differentials and lower direct taxation. Tax levels in Britain should be lowered at least to the average of the other EEC countries.

Between 1972 and 1976, a semi-skilled worker had seen a 1 per cent real rise in after-tax pay. Senior group managing directors had experienced a 30 per cent reduction.

Even before this, British managers were not well paid by international standards on a gross basis, receiving less than half that of their U.S. counterparts. Impossibly high tax ceilings had made their financial position precarious in the extreme.

Sir Geoffrey referred to the recent Commons statement by Mr. Robert Sheldon, Financial Secretary to the Treasury, that differentials here were narrower than in many Communist countries, including China and Poland.

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Sir Geoffrey referred to the recent Commons statement by Mr. Robert Sheldon, Financial Secretary to the Treasury, that differentials here were narrower than in many Communist countries, including China and Poland.

The consequences for the economy were extremely serious. They went well beyond the important question of fairness to the people concerned. The quality of management was one of the most important determinants of economic growth.

The country needed a free transfer of experience between industries, the most important single step to increasing economic growth, but trying to fix a gross salary to attract the right people either resulted in a devious after tax increase or a distortion in the salary scale. So there was mass emigration of managers, technologists and professional people.

## Equal pay pursuit wins full support

THE PARLIAMENTARY Liberal Party will be pressing the Government to take tougher measures against companies which discriminate against women workers as a result of an emergency resolution passed at the assembly yesterday.

The women workers there have been on strike since May 23 claiming that their male colleagues get £8.50 a week more in basic pay.

The motion, passed unanimously, commits the party to support the strike and calls on Liberal MPs to raise in Parliament the appointment and functions of the equal pay tribunals.

The MPs are urged to press for action against "the many acts of blatant discrimination against women currently exemplified by the dispute at Tico."

Moving the resolution, Mr. Alan Sherwell, of Hackney North, a member of the Society of Post Office Executives, said that Tico was an American company and U.S. companies had a very unfavourable attitude to trade unions. Such companies took the line: "If you don't like what we are doing, then we will get out of the country."

The women, he said, had only come out on strike at Tico after 12 months of frustration in presenting their case. They were now existing on £10 a week strike pay. "They have done a bloody fine job and they deserve our support," Mr. Sherwell declared.

Mr. Richard Wainwright, MP for Colne Valley and party spokesman on trade and industry, said that Liberals had always maintained that the Equal Pay Act was a fraud and this was now being borne out by the Tico dispute.

Calling for full support for the motion, he said "We now see that the Equal Pay Act means nothing of the sort."

AN EMERGENCY resolution on Northern Ireland is to be discussed. Delegates agreed to suspend standing orders to debate a resolution moved by Mr. Peter Emerson, a member of the Ulster Liberal Party executive.

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## Race prejudice denounced with passion

THE LIBERAL Assembly yesterday regained some of its confidence in an aggressive stand against racism. For the first time here, delegates found an issue on which the party's traditions still far outweighed its doubts and uncertainties.

Spreading their resolution across green, yellow and white papers, they committed themselves to an uncompromising campaign against colour prejudice and discrimination, writes Philip Rawstone.

"Racism degrades and diminishes the community," Mr. Gordon Lishman declared as he opened the debate. "It is a challenge to liberalism that the party must take up."

And the Assembly responded with a rare mixture of passion and practicality. Perhaps the most enthusiastic of all, it responded to the opportunity to do something rather than merely debate it.

"Less talking and more walking," said Mr. Ian Stewart, leading the applauding delegates off the political sidelines into a comprehensive programme of community action.

The Liberal Party has got to fight and fight damn hard to beat the National Front and stop its spread in this country. It is dangerous and it is evil," said Mr. Cyril Smith, urging them forward.

There were few laggards—and even those were well in advance of the movement's policy despite some concern about the reactions from the doorstep.

While out in front, Ruth Addison and the Young Liberals carried the party's tradition to the point of advocating an open door to all and any immigrants.

Racism led on faint-heartedness, they said. But it was also bred from real problems—bad housing, poor educational facilities, unemployment. Mr. Andrew Goughchild retorted. Until these social conditions were improved by a massive programme of urban aid and renewal, more immigration would simply lead to more racial tension.

Lord Vauxhall finally settled the delegates to a reasonable pace with a vote for maintaining immigration controls while riding the present system of what he called his "racial bias."

The Assembly pressed for an immediate amnesty for illegal immigrants and set its long-term sights on a gradual removal of the barriers to the worldwide free movement of people.

Mr. David Steel (left), party leader. In conversation with Mr. Richard Moore, former political secretary to Mr. Jeremy Thorpe and prominent in Liberal policies towards Europe.

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# The Property Market

BY QUENTIN GUIRDHAM

## Counting the cost of Slater, Walker's properties

THE accountants who investigated Slater Walker Securities did not look into the past history of the property division. But a committee of three, appointed by the post-Jim Slater board to run the property subsidiaries, gave this side of the business a clean bill of health. The committee concluded, and the accountants concurred, that the property division "was conducted professionally."

The three-man committee was John O'Donnell, who ran the division until his resignation, his remaining link with SWS being £200,000 of personal loans and mortgages; John Hackman, the Rothschild's assistant manager who moved to that bank's client, Keith and Henderson, as joint managing director (the K and H board last week agreed the raised offer from Walford Insurance); and N. J. Spurrer, a director of Argyll Securities—in which Sir James Goldsmith's Generale Occidentale is currently bidding for the shares it does not already own—and a former colleague of O'Donnell, since O'Donnell was once Argyll's chairman in the days before SWS swapped con-

trol of the company in a Slater-Goldsmith deal of some complexity. Hackman and Spurrer are now the chairman and deputy chairman respectively of Slater Walker Properties.

The professionalism which this committee noted has not prevented the property interests from being one of SWS's main continuing worries. Take, first, the position at the end of 1975 which the team from Peat, Marwick, Mitchell and Price Waterhouse studied.

There was a portfolio, most of it at cost, with a book value of £73.3m. The big items were the Oyez House development in Fetter Lane, London, E.C.4, with a book value of £17.5m., three Brussels offices totalling £12.4m. and with outline planning consent for houses at Wokingham, Berks (£3.6m.), a sporting estate in Scotland (£2m.) and three Paris offices (£4.3m.).

All these are classed as investment properties and, with the exception of the building land, interest is capitalised. It is also, in the main, rolled-up. The development programme is not funded, in the long-term sense, but done on bank borrowings, most of them from Slater Walker itself. So in September 1975 the £73.3m. portfolio had borrowings of £60.8m., and Goldsmith's Generale Occidentale is currently bidding for the shares it does not already own.

The accountants, plus the property committee, thought a provision of £14.8m. appropriate, leaving a worth of £58.5m. against borrowings £60.8m. higher. The

gross income from the properties, at the end of last year, was running at only £1.5m. a year. Hence before any losses treated as exceptional or extraordinary items in the accounts, and with most interest being rolled up, the property interests are shown as losing £1.9m. in 1974, £2.4m. in 1975 and, so the investigating accountants thought, no chance of the situation changing this year.

The picture, then, is of a development portfolio, bought in a bull market—though with some items, including Oyez House, bought at what looked like good prices because they came through share takeovers—and with the building done in the period of highest cost escalation. Against this, there is little rental income to balance bank financing charges.

### Specific

In practice, what the directors did in presenting the 1975 accounts was to show a £3.5m. write-off on the dealing properties and a net loss of £1.7m. on sales of investment properties, both these taken into the profit and loss account while, in assessing the fixed assets, including a £31m. general provision against properties plus, on assets sold since the year-end, specific provisions to include those properties at what they actually fetched: the margin by which sale prices fell short of book values is indicated by freehold properties making up £3m. of the

£34m. of specific provisions needed to cover sales totalling £77m.

The directors state that they did not commission an independent valuation because it would have been "irrelevant, there being no intention of selling these properties in their uncompleted state." The auditors disapproved the accounts.

As auditors, Arthur Young, McClelland Messers, have taken the obvious line in providing that qualification. Opinion of the directors' action, when, in apparently clearing the decks they still did not want an independent valuation, will vary widely. In the circumstances, it was perhaps the pragmatic answer to keep the property side in play on a cost-minimisation basis. With an in-house banking arm taking deposit to finance an in-house property company, there is little comparison with a conventional property company, though if the comparison must be drawn, the evidence of these figures suggests failure.

In the particular structure of SWS, what happened was, according to the investigating accountants report, that a policy of retrenchment was followed from early 1974. The exception was a "successful increase" in flat break-ups.

The various geographical ends of the property exercise took the message at rather different speeds apparently. Certainly the U.K. side made some reasonable sales, including the Hayes estate and some of the smaller office projects being marketed in 1974. But the Channel Islands subsidiaries were slow to begin retrenchment and the accountants' report singles out "inadequate control of purchases" to explain how quickly the group had grown in property. While the sale to Hill Samuel in 1973 would have been masterly timing, the entry to property was wrong. To have ended up flat-breaking was to finish where the others began.

ments must be completed. Since September last year, £11m. plus interest charges has been spent, with another £4m. to go. Two of the Brussels developments have been completed and Oyez House is just being finished. The setting of these three is obviously crucial, but even with a quick return of Oyez now called the "Fetter Lane" at something around £16 a square foot, which would be exceptional, there must be a drop of a third from its original book value.

### Disposal

The sales programme has achieved £18m. since September last year, with two of the Paris office and the Scottish estate gone. But the sales can represent no more than a disposal exercise, there would not, even if this was desired, be anything left to build on. When the investigating accountants were making cash flow projections, they said the key element was the rate at which assets, particularly property ones, could be realised in order to fund the revenue drain and repay the bank's deposits and drawings under the Bank of England facility. "On the assumption that the Bank of England guarantee was not called upon, it was unlikely that the cash inflow generated by asset disposals would reduce drawings under the Bank of England facility in 1976," they said.

So Jim Slater's direct property interests must be showing a large loss, apart from some disastrous property loans. He went late into property. At the time of the proposed Hill Samuel merger, when SWS's asset base was questioned, he protested that the last balance sheet did not reflect how quickly his group had grown in property. While the sale to Hill Samuel in 1973 would have been masterly timing, the entry to property was wrong. To have ended up flat-breaking was to finish where the others began.

## Sydney's 4m. sq ft oversupply

PARTNERS from the Richard Ellis group in Australia are in London giving their view that talks of a collapsed market there is exaggerated. The investment market never closed down to the extent to which it did in Britain in the recession, they say. Also the industrial and retail markets held up well, quoting 50 per cent. rises in industrial rents in some Sydney buildings over the last three years and a rise in the price of industrial land in Melbourne which equates to 9 per cent. a year for the past decade. There is a suggestion that retailing rents, having in some cases enjoyed similar rises, may now have peaked, but the growth of turnover rents, particularly in regional shopping centres, continues to attract the institutions. The office story, however, is very different. In Brisbane the balance is fair, and in Adelaide there is no real oversupply, but Melbourne has 2m. square feet on the market, which may take until 1980 to take up. And in Sydney the figure is graining projects nearing completion around 4m. square feet. The date for take-up is put at 1981.

The office rental outlook, therefore, has something in common with Britain. Apart from the odd month project like Abbey Capital's Capital Tower in Melbourne or MEPC's Exchange Centre in Sydney, which are still to be completed, having been started before the virtual doubling of building costs in 1974, the only schemes going up now are bank or insurance offices, largely for owner occupation. One is shown on the right here, the Collins Place complex in Melbourne, and 500m. project which will house the ANZ Bank's national headquarters, Richard Ellis, Sallmann and Seward are consultants on this.



In theory, when the current supply of speculative space goes off the market, there should be some sharp shift upwards in rents. But an Ellis chart of top offices shows rents static since 1972-73, with the projection that they will stay there at least until 1980. However, they maintain that premium rents are still obtainable. Renewed leases in BHP House, Melbourne, have fetched \$10 a square foot and in the 570,000 square foot AHI Centre, Sydney, Ellis says it has 40 per cent. let at between \$8.40 and \$12 a square foot, with another quarter of the space being negotiated.

## OUT AND ABOUT

● Warrington New Town Development Corporation, advised by Bernard Thorpe and Partners, has arranged forward letting of a 112,000 sq. ft. industrial development with the Al-Brewer Pension Trust, advised by Debenham Tewson and Chinnocks. The development will be part of the Grange Employment Area by the M6. Units will range from 2,500 sq. ft. to 15,000 sq. ft. and completion is scheduled for June next year. The transaction, which involves a redemption of around £50,000, has been arranged on a lease-back basis, with the development finance being repaid.

● A 32,000 sq. ft. warehouse on the Lea Valley Trade Estate at Edmonstone, London N15 has been let to Stone Furniture. The landlords, P. FAGGS, negotiated the surrender of the head lease, which was held on outdated terms, and the premises were immediately relet on a planned lease-back basis. The building was previously occupied by a sub-lease by Liptons, who has transferred this distribution function to Leighton Buzzard Chamberlain and Williams re-located Stonehill and Jones at Wootton Bassett.

● At this week's Healey-Baker sale at the London Auction Mart, from which 13 lots were sold prior to auction, the highest bid was for a 10,000 sq. ft. plot at West Wootton, which was sold for £110,000. The other lots, which were over £1m.

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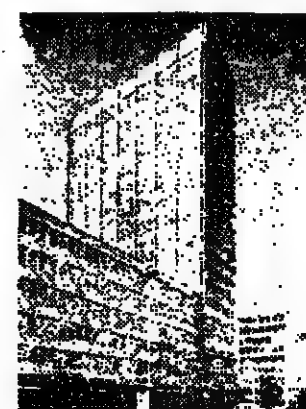
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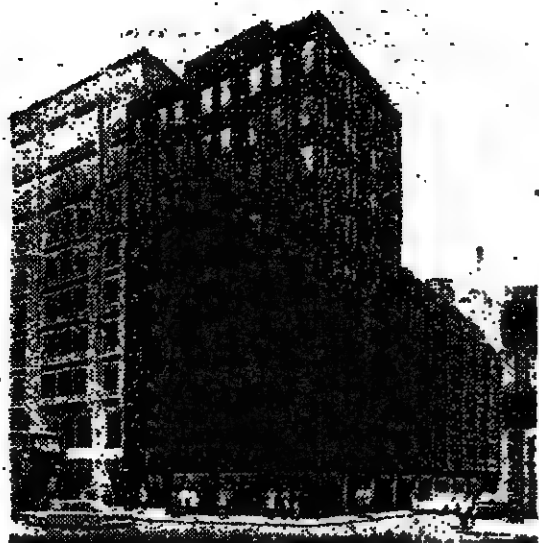


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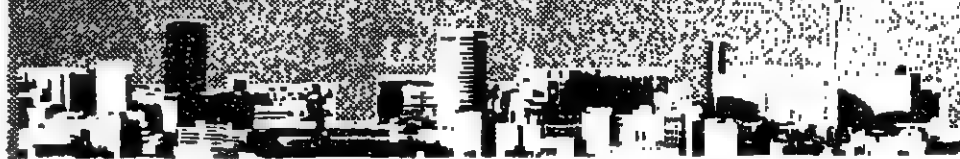
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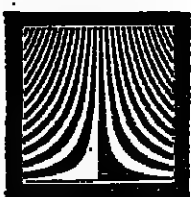












# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## MACHINE TOOLS

### Milling massive turbine blades

RIGID of Rorschacherberg, Switzerland, has completed a new design of five-spindle machines for milling the aerofoil section of large turbine blades.

The method of operation is by an advanced type of circular milling, that is, rotating the blades and master by a synchronous drive and milling the complete blade profile, using the company's electronic copying system to produce an accurate profile. The rotational speed and feed is governed by an adaptive control system which has a sensing unit fitted to each of the work stations.

Components are mounted horizontally in the vertical plane with the copying model in the uppermost position above the work stations, thus providing easy loading and efficient chip removal.

The machine can be arranged with either five, four, three or two working stations to accommodate blades of aerofoil lengths from 1250 to 2000 mm and chord widths from 250 to 650 mm.

Both ends of the blade are driven, a separate oil motor being mounted at each end with synchronous control, thus avoiding the possibility of torsional problems during the cutting cycle.

The cutter spindles are fitted with 30 hp drive and electronic control of the centre

distance between the cutter centre and the blade axis ensures constant copying speed relative to the blade profile.

At the start of the cutting cycle, the cutters are fed to the desired depth by a starting unit prior to the longitudinal feed being engaged, the complete cycle being fully automatically controlled.

Design improvements in this machine give reductions in machining times of the order of 50 per cent when compared with conventional circular milling and it is understood to be the largest machine built to date for the production of large turbine blades.

Rigid, CH 9400, Rorschacherberg, Switzerland.

### Micros go into tool controllers

ONE OF the principal Siemens exhibits at the MACH 76 exhibition at Birmingham next week will be a new generation of computer numerical control equipment using microprocessors.

Designated Sinumerik System-5, the controllers combine the flexibility of conven-

tional computer-based systems with the low cost of microprocessor technology. The equipment is available in three variants, System-5D (drilling), 5M (milling) and 5T (turning), for use on machine tools with do servo-motor feed drives.

System-5D is a three-axis positioning and straight-line milling control for drilling/milling machines while the 5M is a four-axis control for straight and continuous path use on milling machines and machining centres; and the 5T variant for the continuous-path control of lathes. A typical starting price for a System-5 equipment is £5,000.

Although the three System-5 variants are intended for different applications, they are identical in construction, even down to the printed-circuit boards. The control application is determined by the software. Therefore, the majority of spare parts are standard and consequently spares holding is greatly simplified.

Computer numerical control (cnc) offers greater flexibility to the end-user by using standard hardware irrespective of application; whereas conventional nc systems use hard-wired, special-purpose logic to control the machine tool. Because cnc uses easily altered computer software, the amount

of hardware in one equipment is less and therefore system reliability is improved owing to the fact that there are fewer components to fail.

Further, from the company at Great West House, Great West Road, Brentford, Middx., TW8 9DG (01-898 9133).

## TEXTILES

### Challenge to hessian

DEVELOPMENT of an alternative for the traditional hessian secondary backing, found on many carpet qualities, means that, for the first time, the carpet industry is offered the possibility of a completely synthetic carpet.

If experience to date can serve as a yardstick, it would seem that ActionBac, a subsidiary from Amoco Fabrics, could win ready acceptance from carpet manufacturers, installers and retailers particularly as average seam strength for ActionBac has been monitored at 203 lbs as opposed to 168 lbs for jute.

Strength and resilience of ActionBac is demonstrated in on-location stretching, where installers have found that minimal effort is needed to obtain normal dimensions. This factor has contributed to the rapidity of the installation process.

Average poundage recorded during carpet strength tests was 257 in the warp and 311 in the filling; figures which compare very favourably with 191 lbs in the warp and 290 lbs in the filling, recorded for jute-backed carpet.

Amoco (U.K.), Lynsfield House, Church Street, Altrincham, Cheshire, M61 7SB.

## TRANSPORT

### Automated engine test unit

A NEW generation of pressure-controlled hydraulic dynamometers, incorporating electronic switching for quick and precise selection of operating modes is launched in the U.K. by Carl Schenck.

Designed as a compact, simple but strong high-power engine test unit the D series can be computer controlled, enabling transient as well as steady-state conditions of engines to be measured. Capable of handling power outputs of 250 to 20,000 kW, these new dynamometers have been introduced against a background of growing demands for automatic testing and for systems to handle the high power outputs of modern engines.

Torque and speed are electronically controlled and an electronic control unit for precise selection of the various curve characteristics is part of the basic system. This provides precise selection of the working parameters and enables fluctuations in the water supply to the brake to be automatically corrected. Electronic control, electrical data input and quick reaction to load changes make the D type dynamometers particularly suitable for automatic programming, and the generous dimensioning of all machine components and the use of non-contact seals guarantees an unusually high life expectancy, even when the units are used for endurance testing.

Schenck now has in operation at its Ruislip plant an engine test cell, currently based on the eddy current dynamometer but easily adapted to any form of power absorption unit including the new D series.

Schenck (U.K.) operates from Stonefield Way, Ruislip, Middx. HA4 0JT. (01-841 1512.)

## INSTRUMENTS

### Philips in test gear thrust

STILL not an over-common sight on U.K. electronics test benches, Philips measuring instruments are nevertheless making an increasing impact and on a world basis the company now believes it is, for example, a close third behind Tektronix and Hewlett Packard in sales of oscilloscopes.

Its business in the scientific and industrial instrument area is modestly stated as "only a few per cent of the total Philips turnover of \$5,000m"; clearly, even if this percentage figure were unity the business would amount to \$50m.

The company has also been steadily hitting at the Americans on their own ground by building up over the last three years a

considerable sales and service network across North America. At the same time, in Europe, manufacturing has been carefully allocated to the most suitable countries and economies of scale are now believed to be considerable. For example, counters are made by the Swedish company, certain scientific instruments by Philips at Cambridge and oscilloscopes in Holland.

Now the company has made a further thrust with the introduction of two new oscilloscopes and several counter/timers.

PM3243 is a lightweight compact 50 MHz oscilloscope with a pair of five millivolt sensitivity channels, the ability to multiply one trace by another, and comprehensive storage facilities. The multiplication facility, which allows the display of the product and one of the original signals, is particularly useful for signal analysis and time comparisons. The multiplier output is also provided on a socket so that in conjunction with a DC voltmeter, a high frequency waveform is produced.

The tube used has persistence adjustable from 0.5 sec to 1.5 mins and there is also a "storage" control giving up to 15 mins retention. These facilities allow VLF signals to be shown without flicker, fast pulses with low repetition rates to be clearly seen, waveform trends to be analysed and single shots to be analysed. The instrument weighs only 10.6 kg, measures 154 x 316 x 480 mm and consumes only 39 W from a wide variety of power sources including a battery pack. The price is £2,048. A 25 MHz 2 mV model (PM3212) without storage and multiplication costs £525.

Three accurate high resolution counter-timers covering 80 MHz, 520 MHz and 1 GHz (PM 6820 series) have also been introduced, at a starting price of £595. They can be supplied with any of four crystal oscillators allowing accuracy/stability tailored to requirements. Time interval average measurements can be made down to one nanosecond with 100-picosecond resolution. There are two iden-



Kennedy Tower,  
St. Chads Queensway,  
Birmingham B4 6EL

tical 80 MHz channels for measuring frequency, period, period average, multiple rate time interval average and 100 of counts. Measurements up to 80 x 220 x 305 mm, weight 1.5 kg.

Two simple, automatic counters have also been announced, working up to 80 MHz and 80 MHz, the PM6801 and 6802 respectively. There is only one control—the "on-off" switch—and the minimum price is £150. Distribution in the U.K. is by Philips Instruments, York Street, Canbridge (0223 68866).

## HYDRAULICS

### Draws the water

SUBMERSIBLE centrifugal pumps for extracting water from boreholes, wells, reservoirs and rivers are being marketed by British Guinand Pumps, a Kernan Drive, Loughborough Leics.

They can be supplied with mixed flow or radial impellers and are available in sizes to use in boreholes of 4 in., 6 in., 8 in., 10 in. and 12 in. diameter with motors rated from 0.5 to 150 hp. Capacities vary from one gallon per minute to 1,500 gallons per minute at heads from 50 feet up to 950 feet.

The pumps and motors are directly coupled to form a single unit, which is supported by a raising main; there is no need to any special preparation of the well.

### Hand pumps from France

A RANGE of hydraulic hand pumps and cylinders, made in Union, France, is being marketed in the U.K. by Weatherhead Manufacturing Co. (England) Windmill Grove, Wilec Lane, Portchester, Hants (0703 7480), an Ameca group company.

The pumps, with application in industry and agriculture, have steel bodies with a range of options, such as special control for use with water.

Pressures range from 140/1,000 bar, and the pumps have outputs up to 18.6 cc/stroke. Tank capacities range between 1 and 6 litres.

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## nord lux balance sheet 76

(abbreviated form) as per March 31st

ASSETS	in million US\$	LIABILITIES	
Claims on banks	228	Liabilities to banks	455
Bills discounted	10	Deposits of customers	95
		Capital + Reserves	
Advances to customers	241	share capital + reserves	20
		conting. prov.	26
Securities	98	Other liabilities	6
Other assets	8	Total net profit	3
Total	US\$ 585	Total	US\$ 585

The shareholders have decided on the Ordinary General Meeting to pay a dividend of 8% (US\$ 0.75 millions)

## ACTIVITIES

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- customers' deposits
- international money dealing
- bond trading

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## COSMOPOLITAN PROPERTIES AND SECURITIES LIMITED

(A Company Registered in Hong Kong)

Balance Sheet at 31 March 1976 (figures in HK\$)

	1976	1975
Fixed Assets	\$ 96,784,061	\$ 97,822,437
Quoted Investments	1,068,893	1,255,185
Mortgage and Instalment Debtors, receivable after one year	1,998,827	3,634,020
Long Term Receivables	1,243,385	2,954,176
Current Assets	\$24,933,507	\$22,520,838
Less: Current Liabilities	7,103,583	6,756,162
Working Capital	17,829,924	15,764,676
Less: Interest on Instalments, due after one year	353,137	745,157
Long Term Liabilities	5,672,054	7,533,652
Total Shareholders' Funds	\$112,938,689	\$113,151,185
Represented by:		
Share Capital	\$ 71,875,000	\$ 71,875,000
Reserves	41,063,689	41,276,185
	\$112,938,689	\$113,151,185

## Profit and Loss Account

	1976	1975
TURNOVER	\$ 34,301,771	\$ 15,105,491
Profit after taxation	\$ 9,860,407	\$ 7,926,778
UNAPPROPRIATED PROFITS, brought forward	2,292,055	2,990,277
PROFITS AVAILABLE FOR DISTRIBUTION	11,372,462	10,917,055
Dividends paid during the year	9,243,750	8,625,000
UNAPPROPRIATED PROFITS, carried forward	\$ 2,028,712	\$ 2,292,055

The accounts and further information are available from the Registered Office of the Company:  
107 New Henry House  
Ice House Street  
Hong Kong

## POWER

### Middle weight trunking

VANTRUNK ENGINEERING, which has achieved a turnover approaching £2m, is pioneering the ladder type of cable trunking in the U.K., has introduced a third range called Vanspan.

It is intended to fill in a market space between the two existing ranges, Vantrak and Vanrak, which were intended for larger and smaller applications respectively. Managing director Mr. N. Proudlock describes two main objectives: to lower overall costs of major installations by utilising Vanspan instead of Vantrak where the latter's high strength/weight ratio is not required, and to make the company more competitive in the European market where much shorter support spans are normal and Vantrak is unnecessarily strong.

Vanspan has a load carrying capacity about half that of Vantrak but double that of Vanrak. It is available in widths from 180 to 600 mm and will sell at about 1/3 the price of Vantrak.

The company stresses that the new trunking is not just a cost-reduced version of the existing large sizes. Fabrication techniques are the same. More from Edinburgh Place, Harlow, Essex CM20 2DJ. (0279 24652).

## COMPONENTS

### Transistors for TV

MOTOROLA has announced NPN silicon transistors designed for high-voltage video applications in television receivers. Particular features are the high breakdown voltage and low capacitance.

Devices are designated BF391, 2 and 3 at collector currents of 10 mA. DC collector-emitter breakdown voltages are 200, 250 and 300 V DC respectively. Power dissipation is low, no heatsink is needed and the devices are relatively cheap.

Designed into a class AB video output stage, they provide better performance than can be achieved in the classic class A approach. The circuit is also directly driveable from the colour demodulator MC1327 and can itself drive precision line tubes. More from Empire Way, Wembley, Middx. HA9 0PR (01-902 8836).

## SERVICES

### Speeds heat exchanger calculations

IN THE heat exchanger manufacturing industry, the number of quotations resulting in firm orders for equipment is about 5 to 10 per cent. To produce accurate quotations, it is necessary to carry out a mechanical design to the appropriate code of practice and also, on occasions, produce drawings.

The calculations related to the codes are frequently complicated and laborious, and always time-consuming, often taking four or five man-days to complete. Furthermore, considerable delays

can occur when the design section becomes overloaded due to a surge in the demand for equipment with the result that orders can be lost due to the delay in producing firm quotations.

The National Engineering Laboratory, in co-operation with the Computer Aided Design Centre, has developed a computer approach to producing mechanical design details and drawings to speed the turn around time for quotations and also for manufacturing purposes. Currently the system produces designs to the ASME VIII/TEMA code and provides the designer with a number of options to enable him to make the best use of his company's resources.

The system can be operated either by leasing the software or by remote terminal access to the computer bureaux at NEL and SCICON, or by postal submission of coded input sheets to NEL. It is estimated that by using this system, design throughput can be significantly increased, the time reduced by tenfold and the cost per design reduced by about 50 per cent.

This system is being extended to produce detailed manufacturing drawings which can be used by particular company requirements. Further information can be obtained from Mr. I. Murray, National Engineering Laboratory, East Kilbride, Glasgow, who will arrange demonstrations of the system using the inquirer's own design data for comparison purposes.

## SAFETY

### Smouldering fires seen from above

ONCE a forest or heath fire has been controlled there remains for some time the danger of a further outbreak occurring from insufficiently quenched areas, as many southern fire brigades found out recently. These "hot spots" are areas, as they are sometimes called, are usually difficult to detect, giving no indication of heat and perhaps accompanied by only as much smoke as a lighted cigarette.

The system in use very effectively in Canada and Sweden involves the use of infra-red detection equipment carried by helicopter which shows up all heat sources as bright areas on a TV-type screen. The equipment has been designed by AGA Infra-red Systems, and it is easily taken in and out of standard light helicopters.

The system consists of a portable camera and display unit, integrated with a superposition viewer, which allows the terrain to be viewed normally while hotspots caused by smouldering fires appear as superimposed bright spots. This method eliminates the possibility of incorrectly identifying false hotspots caused by solar heated rocks, bare ground, or even grazing animals.

In addition, during the active burning phase, the live presentation provides immediate intelligence through heavy smoke, providing a means to direct fire-fighting activities using hoses or water bombing.

Further information from AGA Infra-red Systems, Arden House, West Street, Leighton Buzzard, Bedfordshire LU7 7ND; Leighton Buzzard (05253) 75560.

## Blakey's (Malleable Castings) Limited

RESULTS FOR THE YEAR TO 31ST MARCH

	1976	1975
Turnover	\$900	\$808
Profit before taxation	2,585	2,271
Profit after taxation	210	168
	99	81

Extracts from the Circulated Statement of the Chairman Mr. N. N. Kay, J.P., F.C.A.

The high rate of inflation during the year under review affected the liquidity of the Company, in that our cash deposits were utilised for the major part of the year to finance stocks and day to day expenditure.

During the year turnover was increased, although there was some reduction in the workforce. Again we have seen a rise in our export sales from £866,500 in 1975 to £770,720 in 1976, these exports being to worldwide markets. It has been necessary to increase Home Market selling prices to cover the higher costs of production which increased quite sharply, particularly raw materials and fuel, together with the service charges provided by the nationalised industries, such as electricity, telephone and gas, over which rises industry has no control.

The Government is encouraging the foundry industry to increase its investment in plant and machinery under the terms of the Ferrous Foundry Aid Scheme, and I feel Shareholders will be pleased to know that your Company is making application under the scheme in respect of new equipment we anticipate needing in the next few years.

## DIVIDEND

The increased profit earned in the year justifies the Board again recommending an increased Dividend, which is limited to the maximum permitted amount making the payment equivalent to 10.89% gross, which increase will certainly be welcome to all Shareholders.

## FUTURE PROSPECTS

In recent times there has been a marked decline in the volume of business in the foundry industry generally, although there are some signs of an improvement during this present financial year. Much depends upon how quickly the Government can control and reduce the present high rate of inflation, and on the value of our currency in international markets.

## HALES PROPERTIES LIMITED GROUP OF COMPANIES

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\* PROFITS UP 32%—AN ALL TIME RECORD

\* A ONE FOR FIVE SCRIP ISSUE

\* ONCE AGAIN THE MAXIMUM POSSIBLE DIVIDEND TO BE PAID



EDITED BY JOHN ELLIOTT

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Domestic: 15 Abchurch Lane, London EC4A 3DF. Tel: 01-345 3000.  
Distributors: Overseas: George Allen & Unwin, 10 Bedford Square, London WC1N 3AU. Tel: 01-223 3121.  
Domestic: 15 Abchurch Lane, London EC4A 3DF. Tel: 01-345 3000.  
Printed by: The Financial Times, 15 Abchurch Lane, London EC4A 3DF. Tel: 01-345 3000.

FRIDAY, SEPTEMBER 17, 1976

## Once again in slow motion

THE slow-moving drama of the present monetary crisis was carried a stage further yesterday with the call for an extra 1 per cent of special deposits. The precise motive for this move, as for earlier developments, is a little obscure. The authorities were possibly influenced by memories of 1973, the last time minimum lending rate stood at 13 per cent, when a call for special deposits proved so effective a demonstration of intent that investors immediately started buying Government stock, and half the sum involved was never actually called in. They may simply have been concerned to reinforce the effect of the rise in MLR on short-term interest rates in the market, in order to speed up the adjustment in long term rates which seems to have been the true domestic objective of the whole exercise.

## Scarcely relevant

The one explanation which will not serve is that officially offered: the 15.1 per cent reserve ratio shown in the last banking figures is only barely relevant to the situation. The reason for this is that the whole financial system is now highly liquid, as a result of the failure of the authorities to fund more than a very small proportion of the borrowing requirement in recent months. Public sector borrowing which is not funded long term is represented by many kinds of asset; the banks hold only a small proportion in the form of reserve assets.

Among these "hidden reserves" — a treasure of the readily obtainable reserve assets elsewhere in the system — are Treasury bills held outside the banking sector, banking deposits in the money market which are not available at call, and the unused intermediation capacity of the discount houses. The published figures show that these sources of potential reserves totalled more than £1.6bn. in mid-July, and the subsequent fall in bank lending to the private sector suggests a further sharp increase in the month to mid-August. It is true that if the banks need to

activate any of these hidden reserves, they will have to offer a more attractive rate of interest on their own certificates of deposit; this powerful effect on short-term interest rates was described by Lord O'Brien as Governor in 1971, when the present methods of credit control were introduced. But with potential reserves almost certainly well over 20 per cent of eligible liabilities, the power of the banks to lend will not be significantly reduced by the present call.

To say this is not necessarily a criticism of the move; for if the true domestic objective of the present manoeuvre, a large-scale funding operation, is achieved, then the surplus liquidity of the system will quickly be mopped up; any larger call for special deposits would simply have to be reversed as the funding proceeded. If the authorities were actually worried by the level of private demand for bank credit, a new limit on the growth of interest-bearing liabilities — the "corset" — would offer a far more direct way of immobilising hidden reserves, and without raising interest rates.

## Next move

However, the irrelevance of a 1 per cent call to the known potential reserve position of the banks does help to explain why the move carried so little apparent conviction in the markets yesterday; and investors are still awaiting the next move in this slow-motion repeat of earlier dramas. Since the whole affair is so redolent of the past, the climax will presumably come in due course with the offer of substantial new tap stocks offering whatever yield the authorities feel the market will buy. Were it not for the unaccountable inhibitions of the authorities, this could surely have been done much earlier, when it first became apparent that funding was lagging far behind requirements. Much uncertainty, and possibly the whole crisis of confidence which we are now suffering might have been avoided.

## Another blow to the City's image

AFTER THE dedication of Slater Walker on Wednesday, yesterday another well-known City institution, Industrial and Commercial Finance Corporation, was severely criticised in a Department of Trade inspectors' report. Owned by the Bank of England and the clearing banks and now part of Finance for Industry, ICFC has had long experience of serving the financial needs of small and medium-sized businesses. Yet in sponsoring the flotation of Ralph Hilton Transport Services in 1970, and in its relations with that company up to June, 1972, ICFC, according to the inspectors, "failed to exercise reasonable skill and care" and "fell below the standards required of them by the public as an issuing house."

## Statutory

The rise and fall of the Ralph Hilton business makes a peculiarly lurid story, but the significance of the report lies less in the behaviour of the company than in the performance of the City firms which were associated with it. Coming in the wake of reports on the Lowson empire and London and County, this latest affair will strengthen demands for much tougher statutory controls over directors of companies and their financial advisers.

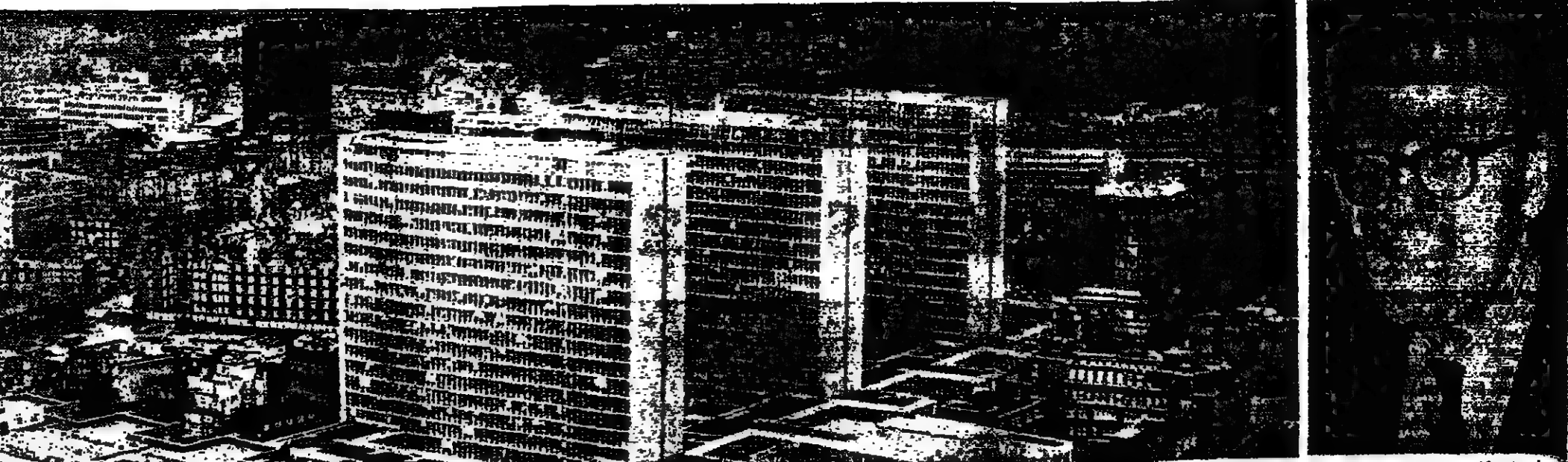
We have argued, and we continue to believe, that the creation of a U.S.-style Securities and Exchange Commission in this country would not be desirable. The powers of the SEC are formidable, but its administration has become extraordinarily complex and cumbersome, creating a field day for lawyers but not necessarily improving the position of shareholders; it has not prevented either the speculative excesses which a bull market frequently produces or some large-scale frauds.

The British mixture of statutory and self-regulation, involving the Department of Trade, the Bank of England, the Take-over Panel and the Stock Exchange, should provide a more flexible and more efficient system for protecting the investor, but there are serious weaknesses in the existing arrangements. One concerns the scope of the Companies Acts, which should be extended to deal with such matters as insider trading, the disclosure of transactions between a company and its directors, and the duties of directors.

A second concern is the thoroughness with which the regulatory authorities carry out their responsibilities under the Acts. Many people have the impression that company promoters, whose activities may have cost shareholders large sums of money and were apparently in breach of the law, too often escape unpunished, apart from the damage to their reputation. There are legal remedies open to aggrieved investors, as the inspectors point out but these can be costly. The important point is that the authorities themselves should be seen to be tracking down and prosecuting offences against the law with the utmost rigour.

## Credibility

Third, any system of self-regulation implies a set of agreed rules which, though not imposed by law, are recognised by the parties concerned, such as issuing houses and financial and legal advisers, as binding; breaking the rules must be heavily penalised. The Hilton affair has thrown up an example of a disturbingly casual approach on the part of some City institutions (which enjoy special privileges) towards their special responsibilities. That is why the credibility of the system is under strain.



The three giant towers of the Department of the Environment, the most successful of the "jumbos" and Sir Ian Hargrave, the most successful pioneer of the new form of government.

## A PM's dislike of 'jumbos'

By PETER HENNESSY

LAST WEEK'S changes in the machinery of government were as surprising as they were significant. The Prime Minister had not concealed his disquiet about the size of giant, conglomerate government departments. But reorganisation was not generally expected in Whitehall to accompany the autumn ministerial reshuffle nor to be so thoroughgoing.

Strictly speaking, the high years of the "jumbo" departments, as they came to be called, began in 1968 with the creation of the Department of Health and Social Security and ended in March 1974 when Harold Wilson, on Labour's return to office, unscrambled the Department of Trade and Industry into the Departments of Trade, Industry and Prices and Consumer Protection. But last Friday's announcement that Transport was to be amputated from the Department of the Environment represents more significantly the moment when the centralising momentum engendered by both Mr. Edward Heath and Sir Harold Wilson, very definitely, into reverse.

## Success of the DOE

There are two reasons for this. First, the DOE was reckoned to be the most successful of the "jumbos" in the way it had cohered since the Ministers of Transport, Works and Housing and Local Government were fused in 1970. Second, the fact that it was Transport and not the basically non-political, executive functions of the Property Services Agency — as Works has now become — which was hived-off undermined the essential concept underlying DOE. This was that planning decisions for housing, roads and transport services could not be taken in isolation either by central or local government. Should the PSA have been winnowed out, with its responsibilities for the construction and maintenance of Government buildings, that concept would have remained intact, albeit in a department with 54,000 fewer civil servants.

The extent of the sea-change is best illustrated by considering the work that lay before Sir Ian Bancroft, Permanent Secretary at the DOE, and Mr. Peter Baldwin, formerly Second Permanent Secretary there and now Permanent Secretary to the Department of Transport, as they left their offices for home last Friday evening with brief cases bulging. The task of disbanding DOE must have been a particularly poignant one for Bancroft. At 53, he is one of the most accomplished Permanent Secretaries in Whitehall and widely tipped to succeed Sir Douglas Allen as Head of the Home Civil Service on the latter's retirement in 15 months' time.

As a highly promising Under Secretary at the Civil Service Department in 1968-70, he led a team charged with re-shaping the Whitehall machine into a more rational structure. The White Paper, *The Reorganisation of Central Government*, published in October, 1970, which adumbrated the philosophy of the "jumbos" and reflected the thinking of both Mr. Heath and Sir Harold Wilson, bore the marks of Bancroft's draftsmanship. When he was DOE's first Director of Establishments, it was his zeal which won for the department its reputation as the most successful pioneer of the new form of government. After a further spell at CSD, he returned to the DOE as its Permanent Secretary a year ago.

## The three towers

By last Monday morning, Bancroft and Baldwin had a fairly clear idea of what the new Department of Transport would look like. By the time the new Secretary for Transport, Mr. William Rodgers, arrived at his desk the next morning, it was clearer still. Mr. Peter Shore, Secretary for the Environment, Mr. Rodgers and their two advisers agreed to adopt the break-up of the DTI as their model.

Some of the administrative benefits of amalgamation would

be preserved by retaining common services in the fields of establishments and economics and statistics. Physically the departments would remain as one with the Transport Ministers and their senior advisers occupying the 18th floor of the North Tower in Marsham Street, Westminster.

That much was fairly straightforward. But prising about 10,000 civil servants from a total DOE complement of 80,000 and sponging £2.4bn. as necessary, his advisers suggested DOE pool of £3.5bn. is not going to be easy. Thanks to the efforts of Bancroft and others, integration, particularly in the planning divisions of DOE, had proceeded far beyond the point where old Ministry of Transport hands could be plucked out and placed where they were before 1970.

## Mr. Callaghan's reasons

Separating transport industries — the other major component of the new department — which comprise the policy divisions dealing with railways, freight, ports and highways, giant departments was the late Sir Otto Clarke, formerly Permanent Secretary at the Ministry of Technology. He kept an eye on the fate of DOE's London Directorate, which encompassed all matters affecting the Greater London Council including most of London Transport, for an indication of the complexities involved.

Why did Mr. Callaghan decide to do it? Reading the minds of Prime Ministers is a precarious business at the best of times. But a conventional wisdom has formed in Whitehall which suggests he had three reasons: a general dislike of "bigness" either in local or central government; the need to accommodate a glut of ministerial talent with Cabinet posts; and as a response to the transport unions which have spoken with one voice since 1970 in demanding a separate department.

The stark options outlined in

Mr. Anthony Crosland's consultative document on Transport Policy completed before his transfer to the Foreign Office, had done nothing to assuage the fears of these union interests. A strategic decision on the future size and shape of the country's transport industries needs to be made before Christmas and will create political difficulties of a magnitude requiring a single department to achieve their successful resolution.

The latter argument would appear to have carried the greatest weight with the PM. For once he had decided a new Whitehall arrangement was necessary, his advisers suggested two alternatives for achieving his aim: either a "double-head" "jumbo" department with two Cabinet Ministers (the solution adopted for the DHSS with the elevation of Mr. Stan Orme to Cabinet rank alongside Mr. David Ennals) or break them up into separate entities. Mr. Callaghan clearly decided that DOE, given the sensitivity of transport policy, required the more drastic surgery.

The pros and cons of large against small departments will not cease to be argued because of the events of last week. No doubt they were fully rehearsed in Number Ten before the decision was made. The most persuasive apologist for the late Sir Otto Clarke, formerly Permanent Secretary at the Ministry of Technology, He kept an eye on the fate of DOE's London Directorate, which encompassed all matters affecting the Greater London Council including most of London Transport, for an indication of the complexities involved.

Sir Otto not only saw significant economies of scale in amalgamation but the possibility of a more effective system of government provided that the subject matter of the merged departments was sufficiently coherent. Too many Ministers led to an overlarge Cabinet, cluttered with detail and unable to make the

strategic decisions which were its essential function (a point Mr. Callaghan could well take on board with his swollen team of 24). Still more powerfully, he argued that Ministers with too narrow a departmental remit were in danger of excessive partisanship in reconciling their competing claims for funds.

Sir Otto's most vivid example of sectionalism within the Cabinet involved the Ministry of Aviation: "Would the Government in 1962 have embarked upon the Concorde project if the responsibility for civil aircraft production and the support of the aircraft industry had been within a department with wide responsibilities for industry and transport (and which therefore had to weigh its choices between a score of competing projects for resources) instead of being in a Ministry of Aviation created only two or three years before in order to foster aviation?" he asked.

Sir Otto, for all his advocacy, was well aware of the pitfalls of gigantism. Ever candid about these matters, he suggested there was a shortage of Ministers with the capacity to run such vast concerns. It was always easier for a PM to find 20 men and women of above-average ability to fill his Cabinet than to discern in half-a-dozen the extraordinary energy and grasp needed to handle a "jumbo". The acid test of ministerial workload, he said, was the number of Under Secretaries in a department. The key rank for giving policy advice to a Minister. Until last Friday, DOE had 77, compared with 45 in the Department of Industry, 22 in the Treasury and seven at the tiny Department of Prices and Consumer Protection.

But empiricists on the other side of the argument have arguments to balance Sir Otto's. They claim that overlarge departments keep to themselves bothersome disagreements that should be ventilated more widely in Whitehall, thereby frustrating the Cabinet's indispensable role of reconciling conflicts of interest in a directly political way. According to this school of thought, rows reach

the Cabinet Office late or not at all.

They cite the failure of the DTI to air alternatives to the three-day week during the winter crisis of 1973-74. In the absence of a separate Ministry of Power (Mr. Heath established an Independent Department of Energy only at the last minute after the three-day week decision had been taken the case for running down the supplies and accepting the risk to avoid the loss of industry production was never properly put either within the DTI or the Cabinet.

Clearly, both sets of protagonists have their points. But it is for the P.M., as Minister of the Civil Service, to draw the balance sheet. Every PM must be aware, however, of the disruption perpetual change involves. Sir Otto Clarke estimated it took years for a reorganised Ministry to settle down and five years for it to produce the benefits in terms of policy formation and efficiency for which it was created.

## Stability needed

By his action last week, Mr. Callaghan may have done something to suggest that a Conservative Government would have done later. Tory study group on the machinery of government chaired by Mr. Willie Whitelaw has been casting critical glances at the DOE for most of the year. The next Conservative Government could well say last week's disturbance to the machinery of government was a warning sign. Whitelaw's group want the Treasury to dismember the responsibility for public expenditure shifted to a separate department under the Civil Service.

Very little is certain when it comes to shaping the machinery of government, perhaps because it is the one major area of public life where prime ministerial fiat works instantly and is seen to do so. One can only paraphrase the celebrated remark of that exemplary P.M. Lord Attlee, to Professor Harold Laski: a period of stability would be welcome on every body's part.

## MEN AND MATTERS

## Money from eastern medicine

Allied Investments, until a few years ago a company with a lot of problems, has — on recent track record — emerged from the wood in profit terms. The somewhat anonymous company name, which could mean anything, now cloaks a group which covers what the Americans now term generically "medicare". That in turn includes nursing agencies (on an international scale), nursing homes, health hydros, and so forth. But what is beginning to emerge as the most important potential profit centre is the provision of international medical advisory services — backed up by the ability to organise and staff new hospitals.

Inevitably these days money means the Middle East, and Allied has just achieved a break-through in Sharjah — one of the United Arab Emirates — which should provide the basis for further expansion in that part of the world.

The situation out there is fascinating. Allied is the only U.K.-quoted company in the field of hospital management, and has been pitching for business against bigger and more experienced U.S. giants. With no National Health Service, the U.S. is better served in terms of private hospital management concerns — with Hyatt Hospital Management Services, Hospital Corporation of America, and Whittaker Corporation among the leading contenders.

The prize that Allied has won is the management of the Al Quassid hospital in Sharjah. The reason for the fierce competition for this particular project is that it is one of the few new hospitals already built and equipped with the basic medical equipment such as operating tables etc.). After 18 months of negotiations therefore, that



hospital will be open for business on December 1; and since most other projects involve both the actual construction of the buildings and the installation of the facilities Allied reckons to prove its expertise while others are still literally, trying to get off the ground.

Although this particular exercise is going to be profitable, according to 33-year-old Malcolm Sinclair, who is both a doctor and managing director of Allied, it is more important as the potential flagship of the group's further involvement in the Middle East.

Sinclair nominates Bryan McSwiney as the clincher. Ex-administrative head of the St. Thomas's Hospital Group, McSwiney joined Allied full time last autumn and has put together the nuts and bolts of the project.

## Full circle

The wheel turns full circle. It seems, for the much troubled Palace Hotel, Torquay, Rowland Smith, wealthy local businessman and land-owner who bought a two-thirds interest in the hotel in 1964, sold it in 1972, has now re-acquired control — but this time 100 per cent.

In between times the hotel has been plagued with problems. In 1967 it had a run-in with the Transport and General Workers' Union which resulted in strike action. In 1972 the company — Palace (Torquay) Ltd. — was taken over by Hickmet Holdings at a price which valued it at £250,000.

The hotel changed hands yet again in 1973, and was given a £300,000 face-lift to bring it out of the palm court era into the more up-to-date 20th century image of a conference and leisure centre. Even that, plus a subsequent capital reorganisation, did not fully do the trick, and earlier this year the company had its share quote suspended and a Receiver appointed. Now out of Receiver-ship, it is back in the court of Rowland Smith.

able for Canada's national parks) dedicating the "James Callaghan Trail" in Gros Morne National Park.

For those interested in technical detail the trail is about three miles long, starts near sea level, and rises to a height of 2,644 feet to the top of Gros Morne — which is the tallest mountain in Newfoundland's national park.

To me more interesting is the fact that the trail was dedicated in recognition of the British Prime Minister's commitment to preserving the natural beauty of the world and because of his efforts to promote peace and brotherhood among the nations of the world. Umm.

## More morals

My thanks to those who sent in further examples of jokes on the lines of "people who live in grass houses shouldn't stow thrones" which I offered the other day. One more, then, to keep us cheerful.

A man recruited a team of people from Northern Spain for a particular job, paying for them to stay overnight in a hotel. There was only one way out, and that through a revolving door. The Spaniards missed the day's work because they whirled endlessly and confusedly round in the door. Moral: Don't keep all your bases in one exit.

## Oh! to be young

What job opportunities there are for youngsters these days! According to an advertisement in *Accountants Weekly*, a Somerset-based British wines company requires a financial accountant, and "Applications in writings (sic) are invited from persons preferably under four years of age."

Observer

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It is perfectly clear that in Jimmy Carter the Democrats have found a formidable standard-bearer whose election would change the face of American politics and, because he would owe very little to anyone, the face of American government as well. What still has to be discovered is whether the American people realize what will be involved and, if they do realize it, whether they are prepared to face the consequences. It seems probable that Mr. Carter will win this election by default. The Ford administration is not popular, and there seems no way of making it so by November. But if Mr. Carter is chosen in this fashion the possibility must exist that the country will abandon him in a crisis as Britain abandoned Mr. Heath. It will be better for everyone if the television debates bring home to Americans what they are letting themselves win in *for*.



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## Lead Industries passes £10m. midway

Although the recovery at Florida is included in the same times increased contribution from the bulk of Lead Industries' 1974 per cent. pre-tax rise in the 1974-1975 period, the 1974-1975 movement in the figures which is expected to be maintained in the 1975-1976 half and to accelerate in 1976-1977. Thus, while the 230m-plus national in 1974, the similar level suggested by the forecast for 1976 is now a realistic level. Improved demand, especially overseas, and continued expansion of compounds is continuing but with a volume increase in sales of possibly less than 10 per cent in 1976-1977. Antimony compounds are accounting for the rest. Progress could be slow. The shares up 1p at 154p yesterday would meanwhile take into account the fact that the group would not necessarily be

There are three main reasons for the 58 per cent. growth in first-half profits at Liverpool Daily:

	1975-76	1974-75
Turnover	36,799,000	21,795,000
Trading profit	2,347,538	1,913,912
Depreciation	604,824	437,704
Profit before tax	1,872,352	1,476,208
Taxation	951,140	783,665
Net profit	890,862	708,540
Dividends	536,432	155,233

The group is engaged in build-

	1976	1975
Gross income	125,433	10,946
Interest and expenses	83,983	10,509
U.K. tax	24,241	19,505
Net earnings	86,129	13,581
Dividends	80,000	14,000

**Benson** First-half 1978 profits of the Kleinwort Benson Lonsdale group have been maintained at a similar level to last year, say the directors.

as apparently deterred many DIY customers — Homecare unchanged interim profits look reasonably good performance margins have slipped by almost points to 5.1 per cent, reflecting

The company is joining the dividend list for the first time with an interim payment of 2 net.

More than doubled profits for 1970-200 are reported for the first half of 1976 by Arthur Wood and Son (Longport), earthenware manufacturers. This is due to the slowing down of inflation and an increase of 32 per cent in export sales.

Chairman Mr. Gerald Wood expresses confidence that in view of the full order books, the first year will produce record turnover and profits.

"Shell" Transport and Trading Company is raising its net intercorporate dividend from 6.004p to 7.282p for the current year. The whole of the year's permitted increase has been applied, the directors state last year's final was 6.778p.

Also, Royal Dutch Petroleum Company has increased its intercorporate dividend to 7.45p, from 6.37p, for the current year. The directors say that the increase should not be considered as an indication of the level of the final, which last year amounted to 6.845p.

The directors state that they are conscious of the differential between the market and asset values and are considering various alternative methods of improving the situation.

**lits dividend**

From earnings of 5.97¢ per share, against 4.53¢. Apex Properties is lifting its dividend from 1.63¢ to 2.63¢ for the period ended March 31, 1978, with a flow of 1.4¢. The company has "low

Turnover advanced from \$416,360 to \$801,732, and profit showed an upsurge from \$161,311 to \$385,311, before tax of \$123,866 (credit \$1,362).

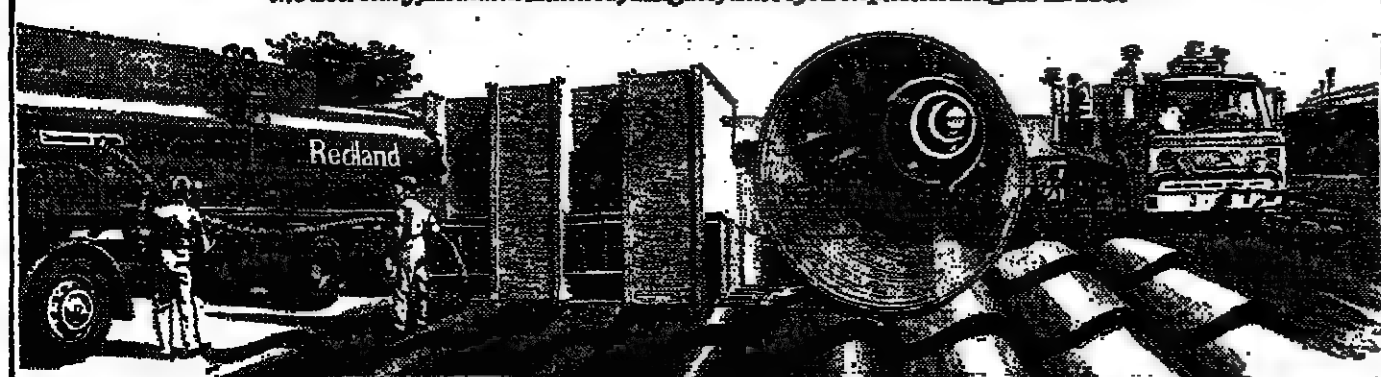
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ars

**LORD BEECHING, CHAIRMAN.**

Earnings per share	12.18p
Pre-tax return on capital employed	23.77%

## Construction materials and services in 23 countries

*We shall be pleased to send you a copy of the 1976 Annual Report & Accounts on request to the Secretary Redland Limited, Reigate, Surrey. Telephone: Reigate 42488.*



## INTERIM STATEMENT

The Directors of Schroders Limited have declared an interim dividend for the year ending 31st December, 1976 of 3p per share on the Ordinary Shares of £1 each (fully paid) which will be payable on 4th November, 1976 to shareholders whose names appear in the register of members of the Company as at the 1st October, 1976. This dividend is the same as the interim dividend declared in respect of the year to the 31st December, 1975.

The profits of the Schroder Group for the first six months of 1976 were higher than those achieved during the corresponding period in 1975.

The Company is not a close company within the terms of the Income and Corporation Taxes Act 1970.

**120 Cheapside,  
London,  
EC2V 6DS.**

**16th September, 1976.**

**Half-year ended 31 July 1976**

**Sales rose by £22 million (16%) to £163 million. Department store sales increased by £9 million (11%) and sales in Waitrose supermarkets by £12 million (22%).**

**Profit** after interest was £170,000 (2%) lower than last year, but 23% (£1.4 million), higher than for the first six months of 1974. The bulk of profit came from the 17 department stores; the contribution from the 67 Waitrose supermarkets was £2.5 million, an increase of £0.5 million.

**Profit sharing.** The profit available for reserves and profit sharing was £420,000 (7%) less than last year. There was a substantial increase in pensions funds contributions (£250,000). Allocation between reserves and profit sharing is determined when the results for the full year are known.

John Lewis Partnership Limited	1976	1975	1974
--------------------------------	------	------	------

Consolidated Results	1976 £000's	1975 £000's	1974 £000's
Sales (including VAT)	162,660	140,615	111,709
Trading Profit after depreciation but before interest	8,929	9,074	7,316
Profit after payment of interest	7,570	7,740	6,132
Pensions funds contributions	1,930	1,680	810
Taxation on profits used to pay preference dividends	229	229	274
Preference Dividends Subsidiaries	44	44	88
The Company	167	167	167
Surplus available for profit sharing and, subject to further taxation, for reserves	5,200	5,620	4,795

For further details of the results and the Partnership's democratic system please telephone 01-637 3434 Ext 6221.



**BOARD MEETINGS**

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering divi-

of \$3.55m. below the record in 1973-74 and according to R. A. Withers, chairman, helps amply justify his foreboding results made when giving first-half profits up from £27.8m.

The total profit, Dalgety U.K. the largest contributor to the group's "strongly steady" boom of over several years, ending our U.K. investments number of activities."

Official indications are not available for the 1973-74 period, but interim or final and the sub-divisions shown below are based mainly on last year's financials.

**TODAY**

Interiors - British Prismatic Corporation, Brooks Watson, Charles Clifford (London), Charles Early and Margaret (Winnar), Hall Engineering, Charles (Winnar), Liberty, Bush Mackay, Noble and (Winnar), R. A. Withers (Winnar), Fish - Edwards (UK), Jellicoe, Duck and Railway.

**FUTURE DATES**

Interiors - Delta Metal Sept. 21

### BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividend and special indications are now prevalent whether dividends are to be paid interim or final and the sub-divisions shown below are based mainly on last year's timetable.

**TO-DAY**

Interiors-British Printing Corporation, Brooks Watson, Charles Clifford Industries, Charles Early and Marjorie (Wintney), Hall Engineering, Charles Hurst, Liberty, Hugh Mackay, Noble and Lane, George Oliver, Footcay.

**Final Dividends (1934), Withdrawn Docks and Railway.**

FUTURE DATES	
Interiors	
Delta Metal	Sept. 22
Finlay Packaging	Sept. 22
Sanderson Kayser	Oct. 6
TPT	Oct. 6
Watts Wright and Rowland	Oct. 7
Whitcomb, (William)	Sept. 22
Flange	
Lake and Eiler	Oct. 1
Zettler	Sept. 22

● **comment**

Dalgely is now back where it was at the top of the cycle in 1974—with the exception of Australia which clearly has plenty of scope for further recovery. The U.K. can probably maintain profits this year, New Zealand is going to stay ahead—and further progress should be made in North America. Australia should be up too—and since these operations make money, the revenue for central expenditure in 1974\* they could easily make a nonsense of early earnings projections for 1976-77. Livestock prices are

beginning to improve in Australia which is what Dalgety needs to get its sales volume moving. At 22½p the shares yield 6.2 per cent.; a p/e of 8½ should ease a couple of points this year on conservative profit projections.

*Statement, Page 23.*

**Brown & Jackson**

Building and civil engineering contractors, Brown and Jackson reports turnover up from \$4m. to \$3.1m. for the first half of 1976 and profits of £224,607 against £210,007 subject to tax of £117,000 compared with £110,000.

The directors consider the results fair in light of the depressed state of the industry.

## EQUITIES

ASSETS	1976		Book	Unpaid plus	1977 Year plus	1977 Year corrected	P.A.	P.A.
	High	Low						
W.P.	-	905	Jameson & Son, Inc. 100%	830	-	904	1.6	-
W.P.	-	227 1/2	Berry Pacific Pd. US 100%	227 1/2	-	400	0.2	-
W.P.	17/76	70	Porterich (Thos.) 60%	84	-	68	3.0	5.9
W.P.	-	258	Deutsche Ind. Inc. (D.I.) 100%	258	-	-	-	-
W.P.	-	226 1/2	Berry 87.5%	226 1/2	+	181.58	5.3	-
W.P.	10/76	70	Sanfro Ind. Assn. ....	125	-	75	12.4	-
W.P.	3/59	87	Monroe, Tex. ....	86	-	8	1.0	-
W.P.	-	128	Polys. S. I. ....	130	-	152	0.7	-

[illegible][illegible][illegible]

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01011 — 01040	01256 — 01375
01076 — 01085	01401 — 01450
01101 — 01190	01578 — 01650
01206 — 01220	01751 — 01800

all numbers inclusive). The interest coupon numbered 10 appertaining to each of the following 250 Bonds of the above issue are also been stolen and remain unrecovered:

00926 — 00980  
01056 — 01075  
01451 — 01550  
01651 — 01725

Would anyone who now has or in the future obtains any information as to the whereabouts of such unrecovered Bonds or Coupons please contact immediately the Principal Paying Agent, S. G. Warburg & Co. Ltd. of 30 Gresham Street, London, EC2P 2EB, England. Telephone Number 01-800 4555, Telegrams Warburco London. Telex 883476.

If any such Bond or Coupon is presented for payment it will be necessary to enquire into the title of the presenter of the Bond or Coupon concerned before any payment can be made.

Dated 17th September, 1976. S. G. WARBURG & CO. LTD.

The order book is favourable and results for the year are expected to be comparable with those for 1973, when profits were £0.53m.

First-half earnings are shown at 5.38p (5p) per 20p share. The interim dividend is held at 2p net - last year's final was 2.1d.

**ON A, TURNOVER** up from £112.23m. to £122.74m., pre-tax profit of Briden decreased slightly from £10.18m. to £10.27m. for the first half of 1976—close to the directors' original forecast. Profits for the second half will be affected by the normal seasonal reduction, and the latest forecasts still indicate that profits for the year will be close to the £17.01m.

	Full year	Year ended
Exports from U.K.	18,015	14,929
Other overseas sales	7,625	10,273
U.K. sales	54,241	55,228
Total sales*	122,781	122,230
Cost of sales	(70,252)	(70,466)
Depreciation	1,392	1,175
Loan etc. interest	1,712	1,598
Sales associates	(4,572)	(4,582)
Finance charges	(1,032)	(1,032)
Taxation	3,105	4,723
Outside holders	189	143
Minority interests	(41)	(41)

\* Including share of associates.  
Demand for wire rope in most markets remained high, and a recovery in demand for some wire and wire products in the U.K. has been seen. But the expected recovery in North America has not yet materialised, says the chairman, Mr. H. Smith.  
Profit arising from stock appreciation at £12m. was slightly lower than for last year.  
Last August British Steel Corporation (U.K.) converted the

55,079,242 of 54 per cent convertible unsecured loan into £268,771 Ordinary shares and is entitled to receive one-third of dividends declared in respect of 1976.

● comment

Bridon's first-half figures—profits virtually unchanged pre-tax—are in line with most expectations. Engineering has turned in the best performance so far and looks

**Bridon's first-half figures—profits virtually unchanged pre-tax—are in line with most expectations. Engineering has turned in the best performance so far and looks like pushing ahead even faster when the benefits from a new \$13m Korean contract (the**

Prospects of James Austin Steel Holdings are secure and the group is poised to take full advantage of any improvement in demand for its products, says chairman Mr. E. G. T. Firth.

He tells members, that in the steel division a major upturn in home trade is not anticipated until later in the year. However, expansion in the export field is looked for.

The engineering division is maintaining a full order book and this situation is expected to continue throughout the year.

As already reported, pre-tax profit for the year to March 31, 1976 fell from £1,433m. to £0.932m. and earnings per 25p share declined from 23.82p to 14.34p.

The cash position remained strong during the year and continues to do so, reports Mr. Firth.

Mrs. K. M. Willson is interested in 28.13 per cent. of the company's Ordinary capital. Meeting, Ossett, on October 11 at noon.

The directors of Pifco Holdings face the future with "quiet confidence" states the chairman, Mr. A. D. Webber, but much depends on the recovery of the economy and consumer purchasing power. Turnover in the first quarter of the current year shows progress, he tells members and the order book is at a higher level

The group has just launched a sizeable number of new products which will add further depth to its range and should expand business and market share.

Additional factory accommodation is necessary to expand and consolidate manufacturing interests and it is hoped that this objective will be achieved this year.

As reported on August 8, pre-tax profits rose from £1.05m. to £1.14m. in the year to April 30, on turnover of £8.03m. (£8.18m.). The dividend is 2.41p (2.19p) net.

It has been a difficult year for the small appliance industry says the chairman and the results were better than anticipated.

Meeting, Winchester House, E.C., on October 12 at noon.

A drop in profit from £1.22m. to £0.5m. subject to tax of £0.57m. (£0.83m.), is announced by tea growers Assam-Dooars Holdings for the year 1975.

The net dividend per £1 share is raised from 7.7368p to 8.51062p.

In March the directors stated that group profit would not match the 1974 level.

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6 months ended 30th June 1976

	Half-Year ended 30.6.76	Half-Year ended 30.6.75	Year ended 31.12.75
	£000's	£000's	£000's
<b>Turnover</b>	<b>97,334</b>	<b>83,434</b>	<b>182,000</b>
<b>Profit before Tax</b>	<b>3,917</b>	<b>3,596</b>	<b>7,520</b>
<b>Profit after Tax</b>	<b>2,107</b>	<b>2,003</b>	<b>4,296</b>
<b>Dividend per ordinary share</b> (Tax imputed)	<b>1.4p</b> (interim)	<b>1.4p</b> (interim)	<b>4.4341p</b> (total)
<b>Basic Earnings per ordinary share</b>	<b>6.38p</b>	<b>6.19p</b>	<b>13.17p</b>

**Points from the review of Chairman Mr. J. B. Woodeson, C.B.E. D.C.L.**

- Results show continuing improvement with increased contribution from the Company's mainstream activities outside major power station field.
  - Liquidity remains sound with further improvement since end of 1975.
  - Reasonable order books in medium term with appreciable export content.
  - UK power station ordering programme awaits current Government review of boilermaking industry.
  - Wide and expanding range of engineering activities; product development and diversification remain in forefront of Company policy.
- Copies of the full Interim Statement can be obtained from: The Secretary, Victoria Works, Gateshead, Tyne & Wear NE8 3HS*

***Copies of the full Interim Statement can be obtained from: The Secretary, Victoria Works, Gateshead, Tyne & Wear NE8 3HS***

**Clarke Chapman**   
engineering for industry worldwide



# APPOINTMENTS



## DIRECTOR GENERAL ZURICH

DISTRIPRESS is a non-political and non-profitmaking Association of 322 firms of repute from 62 countries engaged in the international marketing of newspapers, magazines, periodicals and paperbacks. Its main object is to assist in the promotion of the free flow of the press throughout the world.

We are seeking a successor to Dr Paul Kung who is to retire in 1977, to assume overall responsibility via the Board to the Council of the Association for the effective functioning of the Secretariat. Administratively, this will involve ensuring that annual Congress and biannual General Assembly are planned, organised and administered effectively; and with providing a focal point for the various Committees of the Association. More generally the incumbent will be involved in facilitating communications to Members via the editing of DISTRIPRESS News, as well as in the diplomatic processes associated with

contacting, making representations to and influencing national and international organisations. The ideal candidate will be fluent in English, French and German, the official languages of the organisation. The ability to assimilate and represent diverse points of view and to display a degree of tact and sensitivity in the handling and management of a wide range of contacts will be of paramount importance. Salary and conditions of service are negotiable around 100,000 Swiss Francs. The preferred age range is 35-50 years. Please write in the first instance enclosing a detailed curriculum vitae in the strictest confidence to: Allen Davis, John Veale Associates Ltd, 120 Crawford Street, London W1H 1AF

JOHN VEALE ASSOCIATES



## Sharebroking Opportunity in Australia

A medium-sized progressive broker is seeking an investment adviser to work in their Melbourne office.

The successful applicant will have had experience with Australian stocks whilst working either in Australia or in London.

Applications which will be treated in the strictest confidence should be sent in writing and contain details of qualifications and past experience. These should be addressed to:

Mr. D. J. Lauritz,  
c/o Box Number 225,  
Sutton Financial Limited,  
62 Wilson Street, London, EC2

Mr. Lauritz, a partner of the firm, will be in London for the week commencing 20th September and will be available to discuss the position.

COMMUNITY CONSULTANTS, Sharebrokerage, 01-336 2277.

## LEGAL NOTICES

No. 68882 of 1976  
In the HIGH COURT OF JUSTICE  
Chancery Division Companies Court. In the Matter of E. R. HAWKINS & SONS LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 12th day of September 1976 presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 38-41 Mark Lane, London EC3R 7RE and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 18th day of October 1976, and any creditor or contributory of the said Company desiring to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. KIRKBRIDE,  
KING'S BEAM HOUSE,  
38-41 Mark Lane, London EC3R 7RE,  
Solicitor for the Petitioner.

No. 68883 of 1976  
In the HIGH COURT OF JUSTICE  
Chancery Division Companies Court. In the Matter of JAY CLIFF LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 12th day of September 1976 presented to the said Court by GEORGE WHEELWRIGHT LIMITED, whose registered office is at 15 Upper Farm Road, Hill, Scammonden, Rotherham, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 18th day of October 1976, and any creditor or contributory of the said Company desiring to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

HERBERT OPPENHEIMER,  
NATHAN & VANDYKE,  
19, Cannon Street, London, EC4A 3DF,  
Solicitors for the Petitioner.

No. 68884 of 1976  
In the HIGH COURT OF JUSTICE  
Chancery Division Companies Court. In the Matter of WEST HOMES LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 12th day of September 1976 presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 38-41 Mark Lane, London EC3R 7RE and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 18th day of October 1976, and any creditor or contributory of the said Company desiring to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

HERBERT OPPENHEIMER,  
NATHAN & VANDYKE,  
19, Cannon Street, London, EC4A 3DF,  
Solicitors for the Petitioner.

No. 68885 of 1976  
In the HIGH COURT OF JUSTICE  
Chancery Division Companies Court. In the Matter of AIRCRAFT TRANSMISSIONS LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 12th day of September 1976 presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 38-41 Mark Lane, London EC3R 7RE and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 18th day of October 1976, and any creditor or contributory of the said Company desiring to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. KIRKBRIDE,  
KING'S BEAM HOUSE,  
38-41 Mark Lane, London EC3R 7RE,  
Solicitor for the Petitioner.

No. 68886 of 1976  
In the HIGH COURT OF JUSTICE  
Chancery Division Companies Court. In the Matter of DEMETRIUS & SONS LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 12th day of September 1976 presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 38-41 Mark Lane, London EC3R 7RE and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 18th day of October 1976, and any creditor or contributory of the said Company desiring to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. KIRKBRIDE,  
KING'S BEAM HOUSE,  
38-41 Mark Lane, London EC3R 7RE,  
Solicitor for the Petitioner.

No. 68887 of 1976  
In the HIGH COURT OF JUSTICE  
Chancery Division Companies Court. In the Matter of BIRCHING LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 12th day of September 1976 presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 38-41 Mark Lane, London EC3R 7RE and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 18th day of October 1976, and any creditor or contributory of the said Company desiring to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. KIRKBRIDE,  
KING'S BEAM HOUSE,  
38-41 Mark Lane, London EC3R 7RE,  
Solicitor for the Petitioner.

No. 68888 of 1976  
In the HIGH COURT OF JUSTICE  
Chancery Division Companies Court. In the Matter of BIRCHING LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 12th day of September 1976 presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 38-41 Mark Lane, London EC3R 7RE and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 18th day of October 1976, and any creditor or contributory of the said Company desiring to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. KIRKBRIDE,  
KING'S BEAM HOUSE,  
38-41 Mark Lane, London EC3R 7RE,  
Solicitor for the Petitioner.

No. 68889 of 1976  
In the HIGH COURT OF JUSTICE  
Chancery Division Companies Court. In the Matter of BIRCHING LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 12th day of September 1976 presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 38-41 Mark Lane, London EC3R 7RE and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 18th day of October 1976, and any creditor or contributory of the said Company desiring to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. KIRKBRIDE,  
KING'S BEAM HOUSE,  
38-41 Mark Lane, London EC3R 7RE,  
Solicitor for the Petitioner.

## Managing Director WINE

for a group of five companies engaged in the production, shipping and retailing of wine and in bottling with a turnover approaching £40m. The business is backed by a major British conglomerate.

- SUPPORTED by a team of competent chief executives the prime task is to accelerate the profitable growth of the five companies with emphasis on developing retail operations.
- THE requirements are proven general management experience in retailing and a knowledge of wine. Career progression will have included a period in a large company and involvement in acquisition planning and negotiations.
- SALARY is for discussion around £12,000. Age late 30s early 40s. Location North West.

Write in complete confidence  
to P. T. Prentice as adviser to the company.

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## SINGAPORE FOREIGN EXCHANGE

Established Far East Merchant Bank with substantial capital intends to expand its operation in Singapore by recruiting an experienced and senior dealer to manage its Asia Currency Unit operations, and to train locally employed assistants.

Candidates will have at least four years banking experience which must include a minimum of two years dealing and experience of Euro-currency deposits and exchange. A remuneration and benefits package will be tailored to attract the right person. (PW570)

Candidates male or female should write briefly and in confidence to the Managing Director, Executive Appointments Limited, 18 Grosvenor Street, London W1, quoting reference. No identities divulged without permission.

## Merchant Bank

The Bank seeks a professionally qualified person aged mid to late 20's who will be able to work as Assistant Company Secretary after a probationary period.

Chartered Accountants or those with a legal qualification will be preferred; a good education and some post-qualifying experience in a City environment is looked for.

The work is varied and much of it will involve contact with higher management. The prospects of advancement and job enlargement will be provided by the energy and quality of the successful applicant.

Starting salary depends on experience and qualifications but will be in the region of £7,000. There are substantial staff benefits in addition.

Please apply in strict confidence, quoting reference number 1703, to Clive & Stokes, 14 Bolton Street, London W1Y 8JL.

**Clive & Stokes**  
Appointments & Personnel Consultants

## PUBLIC NOTICES

**BIRMINGHAM COUNCIL BILLS**  
The £5m ninety-one day bills were issued today with maturity on the 13th October 1976. Applications totalled £23m. The minimum price accepted was 236.25. The average rate of discount was 12.525%. The total bills outstanding is £19m.

**OXFORDSHIRE COUNTY COUNCIL**  
£6.25 million Bills issued 15th September 1976 due 15th December 1976. £6.25 million at 12.5%. Applications totalled £26.8 million. Total Bills Outstanding £6.25 million.

## PERSONAL

**NEW SQUASH CLUB.** Few memberships still available at Silvermere Squash Club, Colham, Surrey. Phone Colham 7275 anytime.

## Clarke Chapman sees at least £7.84m.

FOR THE first half of 1976 Mr. J. B. Woodson, chairman of mechanical and electrical engineers Clarke Chapman, reports an advance in pre-tax profits from £3.6m. to £3.8m., and forecasts that the second half should show an improvement over the first.

Basic earnings per 25p share rose from 6.19p to 6.38p in the first six months and the interim dividend is held at 1.4p net. Last year's total payment was £4.941p from profits of £7.33m.

comment

Clarke Chapman is going to keep profits moving upwards this year but its orders background is still deteriorating. Over the six months orders have risen just 5m. to £177m. so in volume terms the group now faces a worrying level of slack. Predictably this demand hole is being created by the U.K. power side with actual mechanical engineering orders up some 10% over the period. Clarke has enough orders on hand to take its power divisions through most of 1977, but the design teams will be made idle before then. The earnings outlook is reflected in a yield of 11 per cent. at 64p; this rises to 12 per cent. on a prospective basis, and if Clarke can top 68m. pre-tax for 1976 fully taxed earnings cover should be around 24 times.

Statement, Page 21  
**Increase by  
Single  
to £0.43m.**

Single Holdings reports turnover up from £1.48m. to £1.63m. for the year to March 31, 1976, and an advance in profits from £285,117 to £481,000 subject to tax of £298,000 compared with £198,990.

Earnings are shown to be up from 1.5p to 2.5p per 10p share. The ordinary dividend is held at 0.75p net. Dividends will be paid when there are sufficient funds in the U.K.

being profit on exchange rates. Following the £400,000 rights issue in November 1975 the group has added to its traditional business in tea production in Assam, a substantial investment in Bandanga Holdings and a small investment in a food processing company in this country.

## Unigate more confident

THE BOARD of Unigate was more confident than it was a year ago, chairman Sir James Barker told the annual meeting.

He described the current shortage of milk as a temporary setback. It would not have an adverse effect on the company's profits this year. Supplies of pig meat were easier and price inflation was not as great this year as last. Demand for manufacturing beef continued to exceed supply and prices were still rising.

The group's biggest worry was its orders background. It was still deteriorating. Over the six months orders have risen just 5m. to £177m. so in volume terms the group now faces a worrying level of slack. Predictably this demand hole is being created by the U.K. power side with actual mechanical engineering orders up some 10% over the period. Clarke has enough orders on hand to take its power divisions through most of 1977, but the design teams will be made idle before then. The earnings outlook is reflected in a yield of 11 per cent. at 64p; this rises to 12 per cent. on a prospective basis, and if Clarke can top 68m. pre-tax for 1976 fully taxed earnings cover should be around 24 times.

## Excilibur drop in second half

A £91,000 reduction in second-half profits at Excilibur Jewellery leaves the total for the year ended April 30, 1976 down from £691,257 to £600,257. The tax charge is £22,382 (£87,332).

The final dividend is 0.2148p per 5p share, for a net total of 0.4388p (3.588p).

Sales of Magnolia Manufacturing increased by 31.6 per cent. to £1.68m. for the first half of 1976 and profit, before tax, was similar at £287,000, compared with £280,000. For all 1976, profit was £530,901, a record.

Basic earnings per 10p share for the half year are 7.77p (7.57p)

and 7.32p (7.14p) fully diluted. The interim dividend is up from 0.6723p to 0.7895p net. Last year's total was 2.195p.

The company makes and imports picture frame mouldings. Mr. R. J. Wallrock, chairman, says that midway margins at the net level have been slightly depressed by non-recurring costs involved in the move to the new London Distribution Centre at Stoke Newington. Current order books indicate demand in the domestic market is continuing at a satisfactory level.

The decision to form Magnolia Mouldings International has been most effective and he reports that export sales are well ahead of forecast.

Provided raw material costs can be contained, he is reasonably hopeful that the upward trend in sales will continue.

## Jones and Shipman first half

THE OUTCOME for the year 1975 at A. A. Jones & Shipman depends largely on the level of orders that are obtained for delivery before the year-end, says the chairman Mr. F. W. Brooks in his interim statement.

He says the volume of incoming orders is considerably above the depressed level of 1975, but still falls short of needs to fully utilize resources.

The group makes high precision machine tools. Its turnover in the first half of 1976 improved slightly from £5.26m. to £5.44m. and profit was little changed, at £757,000 (£729,000).

Earnings per 25p share are stated at 5.55p (5.7p) and the interim dividend is 1.5p (1.35p). Total for 1975 was 4.57p.

Turnover: 1976 1975 1974  
£m £m £m  
Profit before tax: 287 280 280  
Taxation: 28 28 28  
Minority: 3 3 3  
Preference div.: 6 6 6  
Ordinary: 80 80 80  
Retained: 20 20 20

## Stone-Platt Industries

Interim report for the six months ended 30 June 1976

Leading manufacturers of textile machinery, marine engineering products, pumps for the power, petrochemical and water industries, and electrical products.

	First Half	Year
	1976 £m	1975 £m
Net sales	93.8	66.8
Profit before interest and taxation	7.4	5.2
Profit before taxation	6.1	4.1
Ordinary stockholders' earnings	3.3	2.4
Earnings per share	8.2p	7.4p

- Sales and pre-tax profits rose by 40% and 47% respectively
- Earnings per share increased by 11%
- Exports from U.K. totalled £44.6m—71% of U.K. output
- Dividend 1.9053p—the maximum permitted
- 92% of the equity of Safety Electrical Equipment Corporation of New Haven, USA acquired for \$6.6m

Subject to unforeseen circumstances both sales and profits for the year should exceed those for 1975.

25 St. James's Street, London, SW1A 1HH

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Premium positions available £1.00 per single column cm extra (minimum size 48 column cms)

for further details write to:  
Classified Advertisement Manager  
Financial Times, 10 Cannon Street, EC4A 3DF



## Better half for 'Pru'

THE UNDERWRITING result for the first half of 1976 at Prudential Assurance Company shows a 50 per cent increase in profits of £13.4m. compared with £8.9m. in the first half of 1975. The increase is due to a rise in the rate of return on investments and a cash and carry warehouse in Bradford.

The company makes plastic ware, etc.  
Statement, Page 26  
See Lex

## Midterm record at Sparrow

ON A 38 PER CENT increase in turnover from £1.09m. to £1.47m. pre-tax profit of G. W. Sparrow and Sons, the crane hire specialists, improved by 27 per cent. from £401,000 to a best-ever £511,000 for the first half of 1976.

With the group continuing to invest in cranes with high profit potential and to develop its overseas activities, the chairman, Mr. A. W. Sparrow, is reasonably confident of exceeding last year's record pre-tax profit of £1,065,000. The interim dividend is raised from 1.70p to 1.95p per 20p share.

During the half year more than £1.5m. was invested in new cranes including one 150-ton telescopic jib crane—the largest of its kind in the world—and two 100-ton telescopic jib cranes, he tells members.

## £0.7m. by Staffs. Potteries

ON SALES UP from £8.16m. to £11.4m. pre-tax profit of Staffordshire Potteries (Holdings) rose from £213,000 to £702,000 for the year to June 30, 1976.

This follows a first-half increase from £140,000 to £213,000 and a forecast of not less than £0.6m. made at the time of the 0.25m. share placing in June.

Undivided earnings are shown at 30.1p (29.8p) per 25p share and diluted at 23.2p (20.1p) based on shares in issue prior to the placing.

As forecast the final dividend is 7p net on the enlarged capital of 9.5p (4.09p) total. Treasury content has been given for the increase in context of the placing.

The directors say the current year has started well with record sales in July and August. Orders on hand are generally satisfactory and the first stage of the capital investment project is on schedule.

1975-76 1976-77  
Sales £8,160,000 £11,400,000  
Pre-tax profit £213,000 £702,000  
Taxation £60,000 £180,000  
Earnings £153,000 £522,000  
Dividends 157 250

## Stone-Platt up £1.85m. to £6.08m. so far

REPORTING a 40 per cent expansion in sales from £46,840m. to £66,730m. for the first half of 1976 and a 47 per cent. advance in pre-tax profits from £1,430m. to £2,100m., the directors of Stone-Platt Industries forecast that both sales and profits for the full year will exceed the £136.74m. and £11.14m. respectively for 1975.

First half earnings are shown to be up from 12.5p to 14.4p per 25p share before tax, and from 7.4p to 8.2p after tax. The interim dividend is lifted from 1.61p to 1.90p net. Last year's final was 1.52p.

The Scrage division, acquired with effect from October 1, 1975, contributed 20 per cent to the first half profit before interest and tax. Exchange rate movements between December 31, 1975 and June 30, 1976 increased the sales and pre-tax profits of overseas companies expressed in sterling by £3.4m. and £0.4m. respectively.

Assets attributable to ordinary holders increased to £27.2m. (December 31, 1975 £13.9m.). Exports from the U.K. totalled £44.6m.—71 per cent. of the output of U.K. plants. Unexecuted orders at June 30 totalled £127m.

Liquidity "remains satisfactory." The electrical division made good progress with its recovery programme and is now in a position to justify further investment, say the directors. Since June 30, 92 per cent. of the equity of Safety Electrical Equipment Corporation of New Haven, Connecticut, U.S.A. has been acquired for a price of \$8.8m. payable partly in September 1976 and partly in January 1977. This acquisition, which is being financed by seven year Euro-currency borrowings, means that the company now has substantial manufacturing plants in the U.S. for each of its main product lines.

Investment in new plant and equipment in the U.K. is continuing at a high level, they add. Continuing growth is mainly dependent on an improvement in world trading conditions. There is as yet little evidence of any significant increase in the scale of investment in the industries served but the results for the first half are in front of budget.

Statement, Page 22  
See Lex

## Advance by W. J. Reynolds

MOTOR dealers W. J. Reynolds Holdings reports an increase in turnover from £37.5m. to £38.5m. for the first half of 1976 and an advance in pre-tax profits from £42,750 to £61,600. Stated earnings rose from 0.46p to 0.69p per 5p share.

The directors say there are encouraging signs for the second

half always provided that the supply of new vehicles is not unduly restricted by model changes and industrial disputes. Profits for all of 1976 came to £53,150.

The significant rise in turnover was due to price increases and a higher sales volume but with intense competition and an inevitable increase in overheads profits have not kept in line. The truck sales market did not materialise and it now seems unlikely that this will happen this year, say the directors.

At the end of September Ford Motor will be replacing the existing range of Cortinas. The new version of the Cortina has already been introduced on the Continent and has been very well received. Members are told.

The Board expects to recommend a single dividend for the full year of not less than last year's 0.5525p net per share.

1975-76 1976-77  
Turnover £37,500,000 £38,500,000  
Pre-tax profit £42,750 £61,600  
Taxation £12,125 £16,475  
Earnings £30,625 £45,125  
Dividends 30 50

## Bentalls first half progress

DEPARTMENT store operators Bentalls reports sales ahead £1.7m. to £14.57m., including VAT, and profits up £78,000 to £608,000 in the six months ended July 31, 1976.

In the second half to date, sales show a 10 per cent. increase over last year and are ahead of budget. If this position can be maintained, the directors are looking for a satisfactory result for the year despite further increases in costs. In 1975-76, profit came to £1,068m.

Improvements have been made in sales promotion and to departmental stocks to ensure in the second half the higher turnover and contribution to profit expected.

## Midterm upsurge by Tioxide

Titanium producers, Tioxide Group in which Lead Industries and ICI have substantial holdings, reports an upsurge in 1976 first half profits from £3.7m. to £10.85m. before tax of £3.34m. (£1.8m.).

Attributable profits were up from £1.7m. to £3.34m. Sales to U.K. markets expanded from £12.25m. to £17.51m. and overseas sales were £50.1m. against £30.43m. The value of exports including ultra-group sales was £13.1m.

Changes in the sterling values of the parent company's interest in overseas companies, arising from exchange fluctuations, have been excluded from profits.

During the first half there has been an improvement in both volume and prices of pigment sales, particularly in overseas markets. It is expected that this

## Trafford Park turns in £0.56m.

AFTER SLIPPING from £288,776 to £271,321 in the first half, pre-tax profits of Trafford Park Estates finished the year to June 30, 1976 down from £617,403 to £563,371. Gross turnover from the sale of land rose slightly from £1.18m. to £1.25m. but warehousing and trading turnover dropped from £1.1m. to £1.12m.

Earnings are shown at 4.7p (5.38p) per 25p share. The final dividend is 1.85p net, lifting the total from 2.96p to the maximum permitted 3.25p.

1975-76 1976-77  
Turnover £1,180,000 £1,250,000  
Pre-tax profit £288,776 £271,321  
Taxation £80,000 £85,000  
Earnings £208,776 £186,321  
Dividends 296 325

## Gallenkamp hits peak with £3.9m.

AFTER RISING from £1.04m. to £1.08m. in the first half, pre-tax profits of A. Gallenkamp and Co. finished the year to June 30, 1976, up from £2.49m. to a record £3.88m. on turnover of £23.57m. (£19.91m.), which included exports of £10.11m.

After tax of £2.03m. compared with £1.31m. stated earnings increased from 17.5p to 28.2p per 25p share. The final dividend is 2.35p net, lifting the total from 4.13p to the maximum permitted 4.35p.

The group manufactures scientific instruments and laboratory apparatus, etc.  
Statement, Page 24

## Upsurge for H. & J. Quick

MOTOR dealers H. & J. Quick Group is forecasting that 1976 will be an "outstandingly good" year.

In the first half profit has shot up from £127,701 to £238,939, and results for July and August are running at the same rate, the directors report. For 1975, profits were £288,000.

Turnover for the half year rose £4.33m. to £16.14m. Interest took £163,661 (£143,758), and the net profit came out at £178,180 (£204,401) after tax of £180,730 (£138,200).

Earnings are shown at 4.5p (4.76p) per 30p share, and the interim dividend is up from 0.415p to 0.509p. The 1975 final was 0.32p.

Statement, Page 31

# Austins

Steel Stockholders—Structural Engineers

### Trading Results

In a difficult trading year sales and profits fell; however, profits in the second half of the year were marginally higher than in the first half. Stock appreciation was a significant factor in the 1975 results and this, combined with slimmer margins in the year ended 31st March 1976, account for the reduced profit. The cash position has been very sound throughout the year and continues to be so. As a result we have been able to buy at the most advantageous prices.

A total of 4.7468p per share is recommended—the maximum permitted.

**Dividend**  
Current conditions in all markets remain difficult and it is not anticipated that a major upturn in the home trade will take place until later in the year. The division, however, looks forward to expansion in the export field.

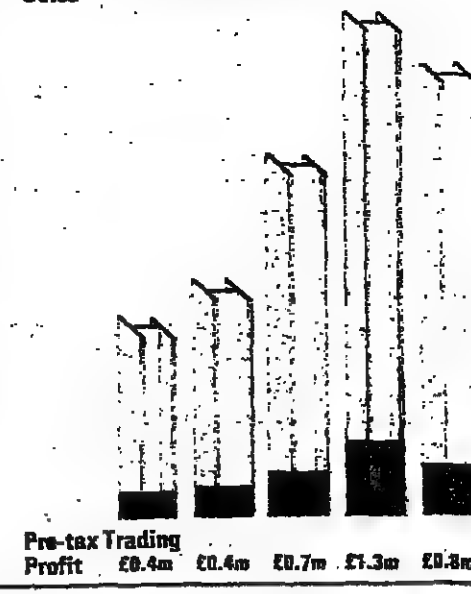
**Steel Division**  
This Division has remained fully and profitably employed. We have a full order book and expect this healthy situation to continue throughout the year.

**Engineering Division**  
This Division has remained fully and profitably employed. We have a full order book and expect this healthy situation to continue throughout the year.

**The Future**  
During the past year the company has maintained a high buying level. As a result, we are poised to take full advantage of any improvement in the demand for our products.

### Five Year Record

Sales	1972	1973	1974	1975	1976
	£3.5m	£4.05m	£5.5m	£9.1m	£8.2m



Pre-tax Trading Profit	£0.4m	£0.4m	£0.7m	£1.3m	£0.3m
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Copies of the Annual Report, containing the Chairman's Statement in full, obtainable from The Secretary.

**JAMES AUSTIN STEEL HOLDINGS LIMITED**

Thornhill Steelworks, Dewsbury, Yorkshire WF12 9EH



## PREEDY

The following are extracts from the circulated statement of the Chairman  
Mr. H. L. Preedy, OBE, JP

Profits of £845,552 for the year ended 27th March, 1976 (£782,282) are once again a record. The total dividend of 5.119% (4.704% adjusted) is the maximum permitted.

Seven additional branches have been added, and at least eight more are planned for the current year. Prudent property development includes rebuilding of the shop at Oswestry (opening October); purchase of a central shop site at Ashby-de-la-Zouch for rebuilding and site development; and plans for rebuilding four new shops at Bilston. The sale of books has passed the £1m and is still increasing.

Relicensing of wholesale and cash-and-carry depots is now completed, and the fruits of these changes can now be seen in terms of profit. Implications of the Government's new guide lines on prices and profits are not fully known, but it appears the company will benefit from a number of the provisions.

**ALFRED PREEDY & SONS LIMITED**

Wholesaling and retailing of tobacco, confectionery and fancy goods, retail booksellers, newspapers and stationers.

# Dalgety

## Preliminary announcement of results for the year to 30th June, 1976

PROFITS BEFORE TAX	1976 £ millions	1975 £ millions
Australia	1.2	(3.7)
New Zealand	5.3	1.0
United Kingdom	7.4	6.5
Canada	2.5	1.6
USA	0.7	2.2
Central income / less Expenses	(0.5)	0.1
Interest on Euro-currency loans	(1.0)	(0.9)
<b>Group Profits before Tax</b>	<b>15.6</b>	<b>6.8</b>
<b>Estimated Taxation</b>	<b>7.7</b>	<b>5.3</b>
<b>Group Profits after Tax</b>	<b>7.9</b>	<b>1.5</b>
<b>Minority Interests</b>	<b>1.2</b>	<b>0.2</b>
<b>Group Profit after Tax Attributable to the Members of DALGETY LIMITED</b>	<b>6.7</b>	<b>1.3</b>
<b>Extraordinary Items</b>	<b>0.5</b>	<b>1.9</b>
<b>Group Profits Available for Appropriation</b>	<b>7.2</b>	<b>3.2</b>
<b>Ordinary Shareholders' Funds</b>	<b>110.2</b>	<b>98.8</b>
<b>Loan Capital</b>	<b>70.8</b>	<b>61.3</b>
<b>Short-term Borrowings</b>	<b>59.4</b>	<b>63.1</b>
<b>Earnings per share</b>	<b>Basic 26.1 pence</b>	<b>4.4 pence</b>
<b>(Before Extraordinary Items) Fully Diluted</b>	<b>24.7 pence</b>	<b>4.8 pence</b>
<b>Net Assets per Ordinary Share</b>	<b>£4.40</b>	<b>£3.96</b>

**FINAL DIVIDEND** — 4.17945p per share recommended making a total of 8.94245p for the year (gross equivalent 13.7576p — 1974/75 12.507p). Maximum permitted increase under present Government regulations. Cost of dividends for the year is £2.4 million.

### NOTES:

- Overseas profits have been converted into sterling at the rates ruling on 30th June in each year. Exchange rate changes have benefited profits by £200,000 compared with 1975.
- Turnover for 1975/76 was £648 million (1974/75 — £618 million).
- The final dividend will be paid on 15th November 1976 to shareholders on the register on 4th October 1976. Annual General Meeting—11th November 1976.

By raising the Company's pre-tax profit to £15.6 million from £6.8 million for the preceding year, the Group has amply justified the expectation of better results for the full year which I forecast at the halfway stage. The regions and activities which show results have been earned, however, show significant differences from past years. The following remarks attempt to summarise the most important aspects of each Region's results.

### UNITED KINGDOM

By far the largest contributor to the Group profits for the second year running was Dalgety UK Limited. It accounted for almost half the Group's pre-tax profit and showed increased profits for the fourth successive year. The pattern of activity, accounting for the pre-tax profit of £7.4 million, shows wide variations from the recent past which we believe supports strongly the wisdom of our policy over several years of spreading our UK investment over a number of activities.

The increase in profits for the year to 30th June, 1976, as compared with the previous year, is attributable largely to a major improvement in the profits of our pig breeding operations and a return to profitability by our egg and broiler producing subsidiaries.

The largest of the UK divisions, making, succeeded in maintaining its profits despite an accumulation of problems, most of which lay outside its control. UK fiscal policy imposes heavy pressures on the cash resources of UK distillers and barley prices again increased substantially. The vagaries of the operation of the common agricultural policy of the EEC produced considerable uncertainty coupled with difficulties arising from a decline in the value of sterling. The Division combated these problems by mounting a vigorous export drive, improving production methods and by an intensive marketing effort on all fronts.

The results of our subsidiaries servicing the agricultural industry were disappointing in spite of good performances throughout the year by the agricultural engineering and animal feedstuff businesses. These activities began the year well but unhelpful weather and uncertain trading conditions prior to harvest adversely affected profits for the final quarter.

### AUSTRALIA

In Australia the rapid recovery of business confidence that was expected to follow the change of government did not materialise and the country remained adversely affected by inflation, unemployment and industrial unrest.

Conditions in the rural sector of the economy, in which Dalgety Australia Limited is still deeply involved despite much recent and successful diversification, were depressed, especially in the second half of the financial year. Average prices for the year for wool were at only moderate levels, lower than those for cattle and sheep were some 15 per cent. below the depressed level of the previous year. In addition, some of the best agricultural land in the eastern part of the country experienced floods and drought conditions in the second half of the year. However, our own pastoral

properties, largely due to a record wheat harvest and the fact that there was no need to write down further the value of livestock held on them, returned to profit.

Due to successful efforts by management to contain expenses the losses of our rural services division were reduced. The turnaround in the fortunes of Dalgety Australia, Limited from a loss of £3.7 million to a profit of £1.2 million is largely due to these improvements in the rural and pastoral divisions and the maintenance of profits from our diversified operations, despite the unfavourable economic environment which prevailed throughout the year in Australia in both the urban and rural sectors of the economy.

### NEW ZEALAND

By contrast, the rural sector of the New Zealand economy staged a remarkable recovery and Dalgety New Zealand's profits rose from £1 million to over £5 million. The principal reason was the improvement in the prosperity and confidence of the New Zealand farmer as a result of the boost to New Zealand's export trade brought about by a 15 per cent. devaluation of the New Zealand dollar and the preparedness of the New Zealand Government to underwrite meat and wool prices. In the event, prices rose above guaranteed levels, with average cattle and sheep prices for the year increasing by 35 per cent. and 50 per cent. respectively and average wool prices increasing by over 80 per cent. Dalgety New Zealand was able to benefit from the resultant improvement in farmers' spendable income. In addition, a number of rationalisation measures were carried out with our competitors, so that, for example, two previously separate and substantial wool handling operations in Auckland and Wellington were totally integrated and achieved highly satisfactory economies to both companies. As publicly announced at the time the Company disposed of its subsidiary, Tasman Vaccine Laboratory Limited, and the proceeds have considerably strengthened the financial reserves of our New Zealand Group.

### USA

In the USA, as expected, our trading activities failed to maintain the exceptionally high level of profits achieved in the 15 month period to 30th June 1975 due mainly to the lower level of steel trading activities; nevertheless, trading profits at £1.5 million were the second highest ever achieved in the USA, with the main contributions coming from our grain trading and seafood processing divisions.

On the other hand, our frozen vegetable operation made a loss of £900,000 as a result of the continuing recession in the US frozen and canned food industries, coupled with poor growing conditions which increased processing costs. During the last financial year, cost saving modifications were made to our plants, the benefits from which will accrue during this coming year; there are signs of recovery in the industry and we have begun the new financial year from an improved base with significantly reduced and better balanced inventories.

### CANADA

In Canada, the improvement of lumber prices from the low level a year ago brought about an increase in profits despite the fact that the Canadian accounts for 1975 covered a 15-month period.

An increase in profits from the lumber activities more than offset the reduction in profits from our steel trading business which, as in the USA, had benefited from boom conditions in the previous year.

Even so, the year was not without its difficulties. There were a number of rail strikes and at one stage the pulp mills to which we sell wood chips, were closed down. In view of these problems and the fact that housing construction in North America is still only a little above the low point of a year ago, the Canadian results are excellent.

### INTERNATIONAL OPERATIONS

In the International Operations of Head Office, Dalgety International Trading Limited has formed a new company with Munchmeyer Petersen in Hamburg to trade between E.E.C. countries and South America and the operations of Dalgety Agricultural Development International Limited in international contracting are gathering momentum. We look forward to the further development of both these activities and to the opportunities available in the areas where they operate.

### PROSPECTS

The Group has succeeded in maintaining its financial strength through two years of difficult trading conditions.

Our balance sheet shows some reduction in short-term borrowings which would have been more significant had it not been for the appreciation of most currencies in relation to sterling. The Group is well placed to finance any increase in working capital requirements during the new financial year.

During the past year most of the countries in which we operate or trade have achieved a measure of improvement in their economic performance and prospects. These improving prospects, if sustained, will help the Dalgety Group to improve its profit performance and the Board has the fullest confidence in the ability of line management to seize and exploit marketing opportunities as and when they occur.

In 1975/76 significant progress was made in eliminating loss making or low yielding investments and in containing operating costs. In several regions and areas of the Group's business, for the future there remain further opportunities both for expansion and also for disinvestment and economies. Assuming a reasonable recovery in the Australian rural economy and in the frozen vegetable industry in the US, there is every reason to expect that the profit performance of the Group will continue to improve.

R. A. Withers, Chairman.  
16th September, 1976.

1520 مواليد



# Gallenkamp

## PRELIMINARY STATEMENT FOR THE YEAR ENDED 30 JUNE 1976

	1975/76	1974/75
<b>RESULTS</b>	£	£
Group sales	23,565,000	19,912,000
Group profit before tax	3,880,000	2,490,000
Tax	2,025,000	1,314,000
Group profit after tax	1,855,000	1,176,000
Earnings per share	28.2p	17.8p

### SALES

Group sales to customers in the United Kingdom:	£13,460,000
Group sales to export customers:	£10,105,000

### DIVIDEND

The final dividend proposed is 2.55p per ordinary share which, with tax, amounts to a total of £257,842.15.7% (last year £238,327.14.5%). This, together with the interim payment, will represent total dividend for the year of 4.55p per share which, with tax, amounts to £460,071.28.0% on the issued ordinary share capital (last year £418,414.25.5%) and is the maximum distribution permitted by current legislation.

### SHARE REGISTER

The transfer book of the ordinary share register will be closed on 11 October 1976 for one day only and, subject to approval of dividend, warrants will be posted on 11 November 1976.

### ANNUAL GENERAL MEETING

The annual general meeting will be held on 9 November 1976 at 11.30 a.m. in Hall 15, Winchester House, 100 Old Broad Street, London EC2N 1BU.

**A. Gallenkamp & Company Ltd**  
Scientific instruments - laboratory apparatus  
Technico House Christopher Street London EC2P 2ER

## MINING NEWS

# Losses gather at Poseidon

THE GLOOM over the future of Poseidon darkened yesterday when the Australian nickel company, once the speculative favourite of thousands, announced that its consolidated loss for the year to the end of June was more than four times higher than in 1974-75 at \$14.04m. (£10.08m.) and that it was carrying forward losses of \$15.77m. (£11.35m.).

The news caused an immediate reaction on the markets, the share price falling in Australia from \$1.30 to 92 cents and dropping from 130p to 90p in London.

The consolidated loss was made up of an operating deficit of \$3.61m. (£2.62m.), nearly double that of 1974-75, and extraordinary items of \$8.43m. (£6.02m.). Poseidon has written down the value of its 47 per cent stake in Kalgoolie Lake View, whose Mount Charlotte gold mine has suspended production, by \$4.3m. and the large land area owned by the company, which is being used to restructure its debts, reduce debt servicing charges and to earn some relief on royalty and general costs outside the Windarra operation.

Poseidon is still looking for a buyer for its half share in the Windarra nickel mine and has had talks with both Australian and foreign companies. It still seems unlikely, however, that the most appropriate buyer would be its partner, Western Mining. The two companies are investigating a lower production rate for Windarra and long-term exploration could be suspended.

Meanwhile Western Mining has agreed to provide funds to meet day-to-day administration costs at Mount Charlotte but has said that it was unlikely to provide additional share capital.

## GOLD OUTPUT INCREASING

South African gold production reached its highest level of the year in August, figures from the Chamber of Mines reveal. The output was 1,985,448 ozs, making a total for the first eight months of the year of 15,084,709 ozs. But this cumulative figure is still running a little behind production at the same stage of last year. Then production had reached 15,137,321 ozs and the final output for 1975 was the lowest for 14 years at 22,787m ozs.

Although mine production is subject to some seasonal variation, the higher level of output reflects the improved labour position of the mines and the tendency to concentrate on higher grade ore as a response to the lower bullion price. Figures in recent months indicate that the decline in production which has been taking place in the last 14 years may be starting to level out.

## ROUND-UP

A one-year option has been given to Amalgamated Industrials and Robertson Research International to evaluate the prospects for re-opening the Carrock Fell tungsten mine in Cumbria. The option was given by the American company, Weco Development, which owns 70 per cent of the mine. In the event of a decision to re-open the mine, Amalgamated Industrials will gain a 30 per cent interest and Robertson Research a 13.5 per cent stake.

Land for a third alumina refinery in Western Australia has been bought by Alcoa of Australia, 70 miles south of Perth. Alcoa of the U.S. is the majority partner. Other companies involved in the project are Western Mining and North Broken Hill.

The chairman of Nuclear Fuels of South Africa, Mr. Adolf Schumann, said at a conference in Geneva that South Africa hoped to double its uranium output within a few years. This would bring it back to the peak level of 1959 when about 6,000 tonnes of uranium oxide were produced.

## Lacking glister

THE ANNUAL statements of the West Rand gold producers in the Consolidated Gold Fields group reflect the background of low bullion prices and continuing high costs. On the credit side is the recovery in the supply of labour but West Driefontein is not prepared to make any dividend forecasts despite anticipations of increased gold and uranium production in the year just ended.

Nor is Kloof which mentions delays in underground development. As a result the build-up in the mine's monthly output from its current 125,000 tons to an eventual 210,000 tons has been slowed down. It is now intended to continue increasing the rate until it reaches 180,000 tons in 1978 where it will be maintained "for some years" before an eventual lift to 210,000 tons. The mine's high rate of capital spending and foresees a reduced dividend in the current year. Libanon also expects to pay less, despite a higher output. The loss making Westwageningen is to apply for State aid to tide it over the present lean times and although the mine has given the statutory notice of closure it is hoped that a recovery in the gold price will allow profitable operations "for a number of years to come".

The Anglo American Corporation group's closed-down Dagga mine says that after the transfers of the freehold and other rights have been registered to the purchasers the directors will be able to consider a final dividend. This is expected to be less than 1 cent per share, it is stated.

## NO TEARS OVER IMF AUCTION

Despite short-term pressures on the bullion market, South Africa's Finance Minister, Mr. Owen Horwood, reckons that the gold price will recover in the long run. Speaking in Pretoria yesterday he took the view that the latest International Monetary Fund gold auction should be regarded as a "considerable achievement". He was encouraged by the fact that bids were received for 3.68m ounces, compared with the 789,000 ounces being offered, and considered that under the previous auction price would have been higher than the \$100.40 achieved at the latest sale. Yesterday, the gold price jumped \$3.30 to \$113.25 per ounce.

## MINING REEFS

KINTA MELLAS-August output: 91 tonnes. (July 38 tonnes). KENT (PMB)-August output: 91 tonnes. (July 45 tonnes). NEW GUINEA GOLDFIELDS-Four weeks ended August 22: Golden Ridge's full-scale production, 488.75 ounces; the silver produced 640.25 ounces. Eddie Creek's full-scale production, 23.55 ounces. Wau Savatelli's full-scale production, 23.55 ounces.

## AUSTRALIAN & INT. TRUST

Australian and International Trust is lifting its dividend from 2.1p to 2.4p net per 30p share for the year to July 31, 1976. Gross revenue decreased from £280,568 to £214,104, and earnings per share dipped from 2.81p to 2.52p.

Gross revenue: £214,104. Taxation: £21,250. Net revenue: £192,854. NAV per share: 132.5p.

# Confidence at Distillers

THE BOARD of the Distillers' Company was looking forward with confidence to the coming trade, says chairman Mr. J. C. Carter, but could not forecast the same percentage rise in trading profits as last year. Mr. Robin Carter, the chairman, told the annual meeting. Last year's 30 per cent rise had been by contrast with the poor results of 1974-75, he said.

The recovery of the U.S. economy had not continued as quickly as expected and imports of whisky in the four months to July this year had dropped by 10 per cent. But there were some encouraging factors. Group sales had not suffered to the same extent as the rest of the industry and the sales of whisky bottled in Scotland had been better than of bulk exports.

Mr. Carter added that the total sales in the rest of the world had been down slightly since April, but were making larger profits. "We continue to believe we are in a position to meet and overcome the problems and maintain our position in the world market," he said.

## Cartwright making headway

Manufacturers of door and window furniture, R. Cartwright (Holdings) announces an increase in taxable profit from £78,100 to £166,708, for the first half of 1976, on turnover ahead from £1,560,000 to £1,910,000. Earnings per 10p share jumped from 1.38p to 2.71p and the interim dividend is maintained at 1p net. Last year from profits of £234,704 total payments of 2.108p were made.

The general improvement in business experienced in the second six months of 1975 continued into the first half of 1976 and enabled the level of profitability to be maintained. The present rate of demand indicates this will continue for the remainder of year.

Prospects for the building industry in 1977 are still clouded by the general economic situation and recent Government expenditure cuts but it is gratifying to note that the policy of diversification into an increasing range of products, including waterproof clothing, etc.

## BIDS AND DEALS

## Manbre and Garton opposition

A further appeal has been sent to shareholders of Manbre and Garton by the chairman, Mr. Frank Smith, urging rejection of the take-over offer from Tate and Lyle. The bid is not to be referred to the Monopolies Commission, it was made known last week. The document from Mr. Smith describes the offer as "a bad bid" and advances arguments against it, including claims that it fails to value Manbre's profits and that it ignores the company's future growth.

Letters are enclosed from employees at Manbre's Sankey Sugar, Westburn Sugar Refineries and the Hammermill Refinery of Manbre Sugar, expressing opposition to the proposed take-over.

## W. CROWTHER

British Land and W. Crowther and Sons have reached an agreement by which British Land will offer to acquire the 31,852 shares of Crowther not already held, at 200p cash—British Land already controls W. Crowther, with a holding of 1,691,301 shares. Shareholders of Crowther will be entitled to retain the final dividend of 23.4412 pence in respect of £2.4412 pence in respect of

proportion of profit derives from sources other than the building with confidence to the coming trade, says chairman Mr. J. C. Carter, but could not forecast the same percentage rise in trading profits as last year. Mr. Robin Carter, the chairman, told the annual meeting. Last year's 30 per cent rise had been by contrast with the poor results of 1974-75, he said.

## Jas. Wilkes slips at six months

First half 1976 turnover of James Wilkes was similar at £4,424m, compared with £4,444m last year, but profit dropped from £185,474 to £126,348, subject to £51,200 (£89,000) tax. The interim dividend is held at 1.383p net—last year's total was 3.432p and profit £273,422. Last year's first half extraordinary debit of £26,426 was not repeated. The company makes business forms and equipment.

## Tax hits Empire Plantations

Pre-tax profits of Empire Plantations, and investments increased by 29 per cent to £449,000 in the year to March 31, 1976, but as a result of a full tax charge on profits in India earnings are shown to have fallen from 3.1p to 1.3p per 10p share.

The Ordinary dividend is held at 6.65p net. Dividend will be paid when sufficient funds are available in the U.K.

During the year the investment in Single Holdings was increased to 24 per cent, in line with the policy of owning substantial holdings in other companies.

## J. Halstead pays 0.325p

James Halstead (Holdings) is paying a dividend of 0.325p net per 10p share for the year to June 30, 1976, compared with 0.165p for the previous year. This partly restores the dividend to the 0.875p paid for 1974-75.

On a turnover up from £11.6m to £13.44m, pre-tax profit was marginally down at £217,053. Earnings were 1.44p (1.68p) per share. The company manufactures plastic floor tiles and mouldings, waterproof clothing, etc.

the year to March 31, 1976. Crowther has been advised by Crouther Bank.

## J. & J. CASH—JONES STROUD

Jones Stroud, the textile concern which failed after a stiff fight two years ago to win control of J. & J. Cash, the name-tapes company, has now won backing from the latter's Board to a new and slightly higher offer. The settlement comes against the background of a less happy trading picture for Cash in the last two years.

The fresh bid is 180p cash a share compared with the final offer of 150p which was rejected in 1974. It values the 50 per cent, not already controlled by Jones Stroud at £470,000 and puts a world of some £200,000 on the whole of Cash, an unquoted public company which makes labels, trimmings and badges as well as name-tapes.

The Cash directors, headed by Mrs. Anne Sargent, are accepting the new offer for their own holdings totalling 21.15 per cent, so that Jones Stroud is assured of obtaining control this time. Trading conditions for Cash have proved very difficult in the last two financial years and this has been reflected in a substantial reduction in the number employed. The Jones Stroud Board is confident of being able to assure the continuity of Cash to the benefit of employees.

# DAGGAFONTEIN MINES LIMITED

(Incorporated in the Republic of South Africa)

## INTERIM REPORT - 1976

FINANCIAL RESULTS  
The following are the unaudited results of the company for the half-year ended 30th June 1976, together with comparative figures for the half-year ended 30th June 1975 and the year ended 31st December, 1975.

	Half-year ended 30.6.76 R	Half-year ended 30.6.75 R	Year ended 31.12.75 R
Income			
Interest received	4,000	10,800	13,000
Other revenue	8,000	1,000	8,000
	12,000	11,000	21,000
Deduct:			
Expenditure			
Contributions towards			
grazing of slimes	130,000	44,000	44,000
dams	1,000	2,000	7,000
Property expenses	13,000	11,000	22,000
Administration expenses			
Share transfer expenses			
stock exchange listing	13,000	19,000	33,000
fees and sundry expenses			
	157,000	76,000	106,000
Net loss	R145,000	R65,000	R85,000

The income received during the period does not include any amounts in respect of the sales of property referred to below.

## TERMINATION OF STOCK EXCHANGE LISTINGS

An announcement was published in the Press on 13th June 1976, and copies thereof sent to registered shareholders, advising that the listing of the company's shares on The Johannesburg Stock Exchange had been terminated as from the close of business on 2nd June 1976 and that the listing on the London and Rhodesian stock exchanges had also been terminated.

## PROGRESS TOWARDS DEREGISTRATION

In a circular dated 12th July 1976, shareholders were given notice of a general meeting of the company to be held on 5th August 1976 to consider the passing of a special resolution to amend the articles of association and two ordinary resolutions, the one to ratify the sale of the company's remaining freehold property, namely, the remaining extent of the farm Daggafontein No. 125 I.R., for the price of R50,000, and the other to authorise the directors to proceed with the deregistration of the company. At the general meeting held on 5th August 1976 the two ordinary resolutions were passed but the meeting was adjourned to consider the passing of the special resolution because the necessary representation was not present as required by section 198(1) of the Companies Act, 1973. At the adjourned general meeting held on 19th August 1976 the special resolution was passed and was registered by the Registrar of Companies on 2nd September 1976. Since 30th June 1976 the company's remaining mining rights and rights to estate owner's share of licence and other monies have been sold for a total consideration of R12,800. The transfer into the name of the respective purchasers of the freehold of the remaining extent of the farm Daggafontein No. 125 I.R. and the mineral and other rights referred to is now in progress.

After these transfers have been registered, the purchase price paid to the company and the necessary clearance certificate required in terms of the Mines and Works Act, 1956, relative to the required measures taken by the company following the discontinuation of its mining operations, the directors will then be able to consider the question of any final distribution to shareholders by way of a dividend. It is now clear that if a final distribution is possible, it will be less than one cent a share.

As soon as the various property transfer formalities have been concluded, the aforementioned clearance certificate obtained and the question of any dividend distribution resolved, application will be made for the deregistration of the company in terms of section 73(5) of the Companies Act, 1973, on the basis of the company having no assets or liabilities. For and on behalf of the Board  
D. R. HOFFE, Director  
M. S. McCURRY, Director

Administrative and Technical Advisers and Secretaries:  
Anglo American Corporation of South Africa Limited  
44 Main Street  
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Transfer Secretaries  
Consolidated Share Registrars Limited  
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Johannesburg  
16th September 1976

# Tioxide Group Limited

International manufacturers of titanium pigments

## Statement of unaudited results for the half-year ended 30th June 1976.

	Half-Year to 30th June 1976	Half-Year to 31st December 1975	Half-Year to 30th June 1975
<b>External Sales: UK markets</b>	£'M	£'M	£'M
Overseas	17.51	13.99	12.25
Total	80.10	36.29	30.43
Profit before taxation	87.61	50.28	42.68
Taxation	10.88	5.60	3.72
Profit after taxation	5.34	2.53	1.89
Minority interests	5.54	3.07	1.83
Profit attributable to shareholders	0.20	0.11	0.13
	5.34	2.86	1.70

The value of goods exported from the UK, including intra-group sales, was £13.1m.

Income and expenditure of overseas subsidiary companies have been converted into sterling at the rates of exchange ruling at the end of each period. Changes in the sterling values of the parent company's interest in overseas companies, arising from exchange fluctuations, have been excluded from profits.

For the first half of 1976 the taxation charge consists of £2.53m. UK Corporation Tax (calculated at 52%) and £2.81m. overseas tax.

During the first half of the year there has been an improvement in both volume and prices of pigment sales, particularly in overseas markets. It is expected that this trend will continue.

**Tioxide**  
TITANIUM PIGMENTS

TIOXIDE GROUP LIMITED 10 STRATTON STREET LONDON W1A 4XP

# The Caledonian Trust Company Limited

	1976	1975
Asset value per share	82.4p	75.2p
Total assets	£35,273,846	£32,875,922
Revenue attributable to ordinary shareholders	£518,881	£457,389
Ordinary dividend per share	Interim 0.50p Final 0.90p	0.50p 0.80p
Capitalisation issue in B ordinary shares	1.69972%	1.733585%

In his chairman's statement, Mr. J. A. Lumsden concentrated on the question of investment trust discounts.

## INVESTMENT TRUST SHARE DISCOUNTS

Investment trust shares continue to be valued on the stock market at very substantial discounts below their net asset values. Furthermore these discounts have increased rather than narrowed in the bull market and this is a matter of great concern to the Board.

There have been suggestions that investment trust companies should either liquidate or convert into unit trusts. I do not think such drastic action is called for, at least until we see whether these large discounts are here to stay. Moreover the combined effect of capital gains tax, investment premium surrender and penalties on early repayment of loans would absorb a considerable part of the difference between net asset value and

market price, both in the event of liquidation and unitisation.

Over the past ten years the net asset value of The Caledonian Trust Company's shares has outperformed the FT Actuarial all-share index. With their ability to adopt a flexible investment policy, to diversify both geographically and industrially, and to employ a measure of gearing when market prospects appear to justify this, investment trust companies should continue to provide growth in net asset value combined with steadily rising dividends. They should therefore prove to be a satisfactory medium of investment both for the individual and institutional investor.

## ANNUAL GENERAL MEETING

The annual general meeting will be held on Monday, 11th October 1976 at 2.30 p.m. at 175 West George Street, Glasgow G2 2LD.



MANAGED BY MURRAY-JOHNSTONE LIMITED.

# PIFCO

## Pifco Holdings Limited

Salient Figures	1976	1975
Turnover	£8,026,300	£5,857,000
Profit before Taxation	£1,139,000	£1,082,000
Net earnings per share	11.34p	10.37p
Gross dividend per share	3.71p	3.37p

## Extract from the Chairman's Statement

It has been a difficult year for the small appliance industry and against these background conditions the results were better than we had anticipated.

We have just launched a sizeable number of new products in the field of personal care appliances which will add further depth to our range and should expand our business and market share.

Turnover in the first quarter of this year shows progress. Our order book stands at a higher level than last year which augurs well. We face the future with quiet confidence but much depends on the recovery of the economy and consumer purchasing power.



## DEPARTMENT OF TRADE REPORT ON HILTON TRANSPORT SERVICES

## Company floated 'without reasonable skill and care'

MICHAEL LAFFERTY

INDUSTRIAL and Commercial Corporation (ICFC), the backed institution which has smaller companies, and which Thomson McLintock Wilson Wright, came under a Department of Trade inspectors' report today, formerly Ralph Transport Services, HTS, shed yesterday.

The report concludes that the company, which went public in 1970, and was placed in the hands of a receiver in 1975, was "not fit to be a public company" and that the Board of Directors was "not fit to be a public company".

The report is the result of a year-long investigation by the inspectors. Mr. Benet Alan and Mr. Ian Irvine of the inspectors, Touche

er the inspectors began investigation in 1974. Mr. n. 58, of Christchurch, Kent, ed guilty at the Old Bailey

and was fined £500. The

ordered to pay £2,500

de the Department investi-

mer director and company

ary Mr. John Skinner, of

Sevenoaks, Kent, was given a suspended prison sentence at the same court, admitting a conspiracy, falsification of company accounts and forgery.

The company's former chief accountant, Mr. Robert Withers, gave evidence for the Crown at Mr. Hilton's trial.

Ralph Hilton Transport Services was incorporated as a limited company in 1959, when the business consisted of 49 vehicles and depots in the Clapham, Greenwich and Vauxhall districts of South London.

The turnover was £60,000. A period of rapid expansion followed, and by 1970 turnover was £2.8m, with pre-tax profits £319,000.

The inspectors find that report- ing accounts Thomson Melin- stock also "acted without reason- able skill and care in advising ICFC" in respect of a profit forecast. They find that auditors Wilson Wright were responsible for part of the £298,000 over- statement of Hilton's 1971 profits "by acting without reasonable skill and care in the conduct of their audit."

Taken as a whole, the report says the prospectus was misleading "in that it gave an impres- sion of a well-managed company run by an experienced Board and having sufficient working capital for its anticipated programme of expansion." Apart from the directors of Hilton, it says, ICFC was principally responsible for this.

The report details how the

results of HTS for the half-year to January 31, 1971, which were stated at £344,000 after taxation, the overstatement being not much less than £108,000.

"Apart from the legal responsibility of the Board, the overstatement was due to fraud or lack of reasonable skill and care on the part of Skinner (the finance director), but arose directly from the state of the accounts department and improper pressures brought by Hilton upon Skinner."

The report further finds that the offer document for the J and H Transport Group, which Hilton's successfully acquired in May 1971, was misleading in a number of important respects:

(a) the HTS profit forecast was at the time it was made impossible of achievement;

(b) the claim that manage- ment would be strengthened by the merger was unjustified;

(c) the claim that the merger would result in combined finan- cial resources which would put the new group "in a stronger position to consolidate for further expansion" was unjustified;

(d) the undertaking given by the Board of HTS to the share- holders of J & H that after the merger their company would continue to trade as a separate

entity was not, in the case of Mr. Ralph Hilton, given in good faith.

The merger "was a serious mistake" which had, and was likely to have, serious adverse consequences. The inspectors place responsibility for this on Mr. Hilton and to a lesser extent on ICFC "who acted without reasonable skill and care in sponsoring the merger."

**Mistake**

Another "serious mistake" was the acquisition of a number of companies from British Oxygen and here again the report blames Mr. Hilton "who acted recklessly" and ICFC.

The report says that the Hilton accounts, which had never been adequate, dramatically deterio- rated after July 1971 and information required by the Board was not forthcoming. Responsibility for this is put on Mr. Hilton and Mr. Skinner, ICFC and Wilson Wright, the auditors.

The circular to shareholders dated June 16, 1972, "was mis- leading in that it stated an un- justifiably optimistic forecast of the company's trading position" as was the chairman's report contained in the 1972 annual report for similar reasons.

The report concludes: "The collapse of HTS resulting in the appointment of a Receiver and Manager on 6th June 1975 was ultimately due to weaknesses in the company which existed at

the date of flotation and which, not having been remedied by the time of the merger with J and H, rendered the collapse of HTS inevitable."

## THE AUDITORS

The auditors, Wilson Wright, could not have been said to be providing an adequate auditing service for HTS, at least in the summer of 1970, and possibly much earlier. Much of the blame rests on Mr. Philip da Costa, a Wilson Wright partner, the inspectors say.

He was very much out of his depth at Charlton Wilson Wright were the auditors of other large companies and in respect of one of their client companies which went public prior to 1970, the reporting accountants had complimented them on their work.

The HTS audit presented unusual problems. The company was expanding rapidly, the accounts department was inade- quate, the finance director was overworked and devoted little time to the internal accounts. He was persistent and per- sistent and the chairman was authoritarian and overbearing.

Wilson Wright did not possess the techniques and Mr. da Costa did not possess the force of personality and character to cope with this combination of circum- stances which, however, must be met with very rarely on audits.

## Audit work

The Wilson Wright working papers generally contained a considerable amount of informa- tion on the composition of indi- vidual items contained in the balance sheet and profit and loss account at the various account- ing dates.

They did not, however, provide supporting explanations of the figures, including significant variations from previous years, nor did they generally record details of audit work done or conclusions reached.



Ralph Hilton: major responsibility.

that Mr. Gould and Mr. da Costa were extremely anxious to keep HTS, but that neither would deliberately have acted unpro- fessionally in order to retain the audit.

## PROSPECTUS

Certain matters were more favourably presented than the facts would warrant and the un- sophisticated reader of the pro- spectus might have been misled, says the inspectors.

The investing public would have been attracted by the Offer for Sale Document by reason of the apparent growth potential of the company. They would have realised the inherent risk of in- vesting in a company with such an explosive profit record, but would have relied on an issuing house with the prestige of ICFC to have pointed out to them any material limitations and, if such limitations were of major im- portance to its future operations, to delay its flotation until they had been rectified.

## 'Improper'

Thomson McLintock, the report- ing accountants also knew that bribes were being paid for the obtaining of work in 1968. Some were still being paid at the date of flotation and despite Mr. Hil- ton's evidence to the contrary (and his concession that he knew them to be improper) they continued after the company floated until they were stopped by someone else in about 1973.

Thomson McLintock did not pass on their knowledge to ICFC. They took a more lenient view of these payments than we are prepared to do, and consequently the discovery did not make sufficient impact for it to be recalled in November 1970. At the time of the float, some- thing all of the corrupt pay- ments were periodically re- corded in the company's books under the head "Promotions and Commissions" and although we think Wilson Wright did not actually know that these

were euphemisms for bribes, we believe that reasonably vigilant auditors would have discovered this.

We see no reason to conclude that without assistance from Thomson McLintock or Wilson Wright, ICFC should have dis- covered the payment of these bribes.

## 'Misleading'

In the result, we cannot acquit ICFC of a degree of culpable blindness and deafness in coming to their conclusion that HTS was, in essence, no different in style and atmosphere from any other large transport under- taking.

In our view the prospectus as a whole was misleading and, in the sense in which the words are used above, it contained a number of statements which were false. The prospectus in our view gave an impression of a company which was well man- aged with an experienced Board and one which had sufficient capital for its envisaged pro- gramme of expansion.

We think that investors, relying upon stockbrokers, accountants or the financial press, might not have been as misled as those who were who attempted to evaluate the shares from the prospectus alone, but we do not think it a valid excuse for a misleading prospectus that if only the shareholders concerned had taken expert advice, they might not have been misled.

**VIKING RESOURCES INTERNATIONAL N.V.**  
 N.V. 31876  
 51778 (D.F. 4707)  
 INFO Pierson, Meldring & Pierson N.V.  
 Herengracht 214, Amsterdam

## INVESTMENT TRUST COMPANIES

Information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures, which are in pence except where otherwise stated, are unaudited.

Assets Number (1)	Company (2)	Shares or Stock (3)	Date of Valuation (4)	Annual Dividend (5)	Net Asset Value after deducting prior charges at nominal or market value (6)	Investment Premium (see note 2) (7)	Total Assets less current liabilities (11) £million	Company (12)	Shares or Stock (13)	Date of Valuation (14)	Annual Dividend (15)	Net Asset Value after deducting prior charges at nominal or market value (16)	Investment Premium (see note 2) (17)	
VALUATION MONTHLY														
29.2	Alliance Trust	Ord. Stock 25p	31/8/76	3.55	225.6	236.0	36.1	Henderson Admin. Ltd. (cont'd.)						
29.8	Capital & National Trust	Ord. & "B" Ord. 25p	31/8/76	3.55	126.6	130.2	18.0	Lowland Investment	Ordinary 25p	31/8/76	1.8	49.3	49.3	2.2
29.8	Claverhouse Investment Trust	Ordinary 25p	31/8/76	2.75	72.3	72.3	1.8	English National Investment Co.	Preferred 25p	31/8/76	1.5	27.8	29.7	-
29.8	Crossroads Trust	Ordinary 25p	31/8/76	2.6	74.2	74.2	1.8	Do. Do.	Deferred 25p	31/8/76	1.1	30.2	45.7	-
29.8	Direct Spanish Telegraph	Ordinary 25p	31/8/76	3.8	55.8	55.8	1.5	Philip Hill (Management) Ltd.	Ordinary 25p	31/8/76	2.5	134.0	17.2	9
29.8	Dundee & London Investment Trust	Ordinary 25p	31/8/76	1.85	81.9	82.6	4.6	City & International Trust	Ordinary 25p	31/8/76	2.83	134.0	14.8	17.2
29.8	Edinburgh Investment Trust	Ordinary 25p	31/8/76	1.85	81.9	82.6	4.6	General Commercial Invest. Trust	Ordinary 25p	31/8/76	2.5	83.1	89.5	49.8
29.8	First Scottish American Trust	Ordinary 25p	31/8/76	1.85	81.9	82.6	4.6	General Cons. Investment Trust	Ordinary 25p	31/8/76	2.5	108.3	174.4	8.6
29.8	Grange Trust	Ord. Stock 25p	31/8/76	1.58	77.5	82.0	8.2	Philip Hill Investment Trust	Ordinary 25p	31/8/76	2.83	134.0	17.2	9
29.8	Great Northern Investment Trust	Ordinary 25p	31/8/76	2.3	104.0	104.9	8.9	Morgate Investment Co.	Ordinary 25p	31/8/76	2.23	82.9	86.0	2.8
29.8	Guardian Investment Trust	Ordinary 25p	31/8/76	1.96	80.9	87.8	9.1	Nineteen Twenty-Eight Inv. Trust	Ordinary 25p	31/8/76	8.43	225.2	237.2	37.5
29.8	Investment Trust Corporation	Ordinary 25p	31/8/76	1.96	80.9	87.8	9.1	Ivory & Sime	Ordinary 25p	31/8/76	1.4	83.6	88.2	0.1
29.8	Investors Capital Trust	Ordinary 25p	31/8/76	1.96	80.9	87.8	9.1	British Assets Trust	Ordinary 25p	31/8/76	1.4	83.6	88.2	0.1
29.8	Jardine Japan Investment Trust	Ordinary 25p	31/8/76	1.96	80.9	87.8	9.1	Edinburgh American Assets Trust	Ordinary 25p	31/8/76	0.75	96.4	100.0	15.5
29.8	London & Holyrood Trust	Ordinary 25p	31/8/76	1.96	80.9	87.8	9.1	Allanite Assets Trust	Ordinary 25p	31/8/76	0.4	74.4	81.3	17.1
29.8	London & Montrose Investment Trust	Ordinary 25p	31/8/76	1.96	80.9	87.8	9.1	Viking Resources Trust	Ordinary 25p	31/8/76	0.75	96.4	100.0	15.5
29.8	London & Provincial Trust	Ordinary 25p	31/8/76	1.96	80.9	87.8	9.1	Leopold Joseph & Sons Ltd.	Ordinary 30p	31/8/76	1.0	104.0	104.0	-
29.8	Mercantile Investment Trust	Ordinary 25p	31/8/76	1.96	80.9	87.8	9.1	Anglo-Weiss Investment Trust	Ordinary 30p	31/8/76	1.0	104.0	104.0	-
29.8	North American Trust	Ordinary 25p	31/8/76	1.96	80.9	87.8	9.1	Leopold Joseph Investment Trust	Ordinary 30p	31/8/76	1.0	104.0	104.0	-
29.8	Save & Prosper Linked Invest. Trust	Ordinary 25p	31/8/76	1.96	80.9	87.8	9.1	Thames Investment Trust	Ordinary 30p	31/8/76	1.0	104.0	104.0	-
29.8	Scottish Northern Investment Trust	Ordinary 25p	31/8/76	1.96	80.9	87.8	9.1	Keyser Ullmann Ltd.	Ordinary 25p	31/8/76	1.0	104.0	104.0	-
29.8	Scottish United Investors	Ordinary 25p	31/8/76	1.96	80.9	87.8	9.1	Thornthorn Trust	Ordinary 25p	31/8/76	1.0	104.0	104.0	-
29.8	Second Alliance Trust	Ordinary 25p	31/8/76	1.96	80.9	87.8	9.1	Thornthorn Secured Growth Tr.	Ordinary 25p	31/8/76	1.0	104.0	104.0	-
29.8	Shires Investment Co.	Ordinary 50p	31/8/76	4.75	191.5	202.1	51.3	Leopold Joseph & Sons Ltd.	Ordinary 25p	31/8/76	1.0	104.0	104.0	-
29.8	Sterling Trust	Ordinary 25p	31/8/76	4.1	103.5	103.5	30.0	Embarkment Trust	Ordinary 25p	31/8/76	2.0	84.6	88.4	10.7
29.8	Technology Investment Trust	Ord. & "B" Ord. 25p	31/8/76	1.75	103.5	103.5	30.0	Raeburn Investment Trust	Ord. Stock 25p	31/8/76	2.15	140.0	147.5	21.6
29.8	United British Securities	Ordinary 25p	31/8/76	6.85	264.1	264.1	38.2	Romey Trust	Ord. Stock 25p	31/8/76	2.15	99.7	102.7	13.8
29.8	Bullfinch & Co.	Ordinary 25p	31/8/76	2.4	128.2	130.0	20.0	Martin Currie & Co. CA.	Ordinary 25p	31/8/76	2.7	120.8	123.5	10.9
29.8	Edinburgh & Dundee Investment	Ordinary 25p	31/8/76	2.8	139.0	143.2	20.0	Canadian & Foreign Invest. Trust	Ordinary 25p	31/8/76	2.7	120.8	123.5	10.9
29.8	Monks Investment Trust	Ordinary 25p	31/8/76	1.05	103.5	103.5	20.0	St. Andrew Trust	Ordinary 25p	31/8/76	2.7	120.8	123.5	10.9
29.8	Winterbottom Trust	Ordinary 25p	31/8/76	5.3	219.3	223.3	37.3	Scottish Eastern Investment Trust	Ordinary 25p	31/8/76	2.7	120.8	123.5	10.9
29.8	Baring Bros. & Co. Ltd.	Ordinary 25p	31/8/76	1.925	104.7	113.7	13.6	Scottish Ontario Investment Co.	Ordinary 25p	31/8/76	2.93	140.0	143.0	23.4
29.8	Tribune Investment Trust	Ordinary 25p	31/8/76	10.3	512.2	519.7	140.3	Securities Trust of Scotland	Ordinary 25p	31/8/76	4.8	178.0	198.8	23.3
29.8	Cripps Warburg Ltd.	Ordinary 10p	31/8/76	1.4	104.7	104.7	13.6	Western Canada Investment Co.	Ordinary 25p	31/8/76	15.0	578.7	590.7	60.6
29.8	Niswiler European Invest. Trust	Ordinary 10p	31/8/76	0.15	58.0	58.0	8.4	Murray Johnstone Ltd.	Ord. & "B" Ord. 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	Vintia, Baltimore & Chicago	Ordinary 10p	31/8/76	0.4	72.1	72.1	10.3	Clydesdale Investment Trust	Ord. & "B" Ord. 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	Edinburgh Fund Managers Ltd.	Ord. & "B" Ord. 25p	31/8/76	1.0	104.7	104.7	13.6	Glendevon Investment Trust	Ord. & "B" Ord. 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	American Trust	Ordinary 50p	31/8/76	4.2	148.4	149.0	10.8	Glendevon Investment Trust	Ord. & "B" Ord. 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	Crecent Japan Investment Trust	Ordinary 25p	31/8/76	1.0	104.7	104.7	13.6	Scottish & Continental Investment	Ordinary 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	Electric House Group	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Scottish Western Investment	Ord. & "B" Ord. 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Second Great Northern Inv. Trust	Ord. & "B" Ord. 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Nավաւաւ	Ordinary 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Simonside Investment Co.	Ordinary 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Schroder Wagg Group	Ordinary 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Ashdown Investment Trust	Ordinary 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Do. Do.	Ordinary 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Broadstone Investment Trust	Ordinary 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Do. Do.	Ordinary 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Continental & Industrial Trust	Ordinary 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Trans-Oceanic Trust	Ordinary 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Do. Do.	Ordinary 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Westpool Investment Trust	Ordinary 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Do. Do.	Ordinary 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Stewart Fund Managers Ltd.	Ordinary 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Scottish American Investment Co.	Ordinary 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Scottish European Investment Co.	Ordinary 25p	31/8/76	1.4	81.7	83.9	13.1
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Touche Renmant & Co.	Ordinary 25p	31/8/76	1.1	49.2	49.2	4.9
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Atlas Electric & General Trust	Ordinary 25p	31/8/76	1.2	37.0	60.3	4.6
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Bankers' Investment Trust	Ordinary 25p	31/8/76	2.0	57.5	62.6	3.6
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	C.R.P. Investment Trust	Ordinary 25p	31/8/76	1.4	49.2	62.6	7.1
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Cedar Investment Trust	Ordinary 25p	31/8/76	2.0	57.5	62.6	3.6
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	City of London Brewery	Deferred 25p	31/8/76	2.1	32.0	36.8	1.4
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Continental Union Trust	Ordinary 25p	31/8/76	2.1	32.0	36.8	1.4
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Industrial & General Trust	Ordinary 25p	31/8/76	1.24	33.7	36.4	0.3
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	International Investment Trust	Ordinary 25p	31/8/76	1.24	33.7	36.4	0.3
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Shore Investment Trust	Ordinary 25p	31/8/76	2.3	51.4	121.5	16.7
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Standard Trust	Ordinary 25p	31/8/76	2.2	143.5	153.4	20.6
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Trust Union	Ordinary 25p	31/8/76	4.2	107.1	112.6	11.8
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Trust Union	Ordinary 25p	31/8/76	4.2	107.1	112.6	11.8
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Trust Union	Ordinary 25p	31/8/76	4.2	107.1	112.6	11.8
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Trust Union	Ordinary 25p	31/8/76	4.2	107.1	112.6	11.8
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Trust Union	Ordinary 25p	31/8/76	4.2	107.1	112.6	11.8
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Trust Union	Ordinary 25p	31/8/76	4.2	107.1	112.6	11.8
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Trust Union	Ordinary 25p	31/8/76	4.2	107.1	112.6	11.8
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Trust Union	Ordinary 25p	31/8/76	4.2	107.1	112.6	11.8
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Trust Union	Ordinary 25p	31/8/76	4.2	107.1	112.6	11.8
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29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Trust Union	Ordinary 25p	31/8/76	4.2	107.1	112.6	11.8
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Trust Union	Ordinary 25p	31/8/76	4.2	107.1	112.6	11.8
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Trust Union	Ordinary 25p	31/8/76	4.2	107.1	112.6	11.8
29.8	Do. Do.	Ordinary 25p	31/8/76	4.2	148.4	149.0	10.8	Trust Union	Ordinary 25p	31/8/76	4.2	107.1	11	



## Galliford Brindley Limited

## Preliminary Results

Year to 30th June	1976	1975
TURNOVER	30,759,000	21,795,000
Trading Profit	2,567,656	1,915,912
Less Depreciation	494,624	437,704
PROFIT BEFORE TAXATION	1,872,832	1,478,208
Taxation	981,840	768,668
PROFIT AFTER TAXATION	890,992	709,540

## SHARNA WARE LIMITED

## Interim Statement

The Directors are pleased to announce that the unaudited results for the six months ended 30th June 1976 and the figures for the corresponding period in the previous year are as follows:

	6 months ended 30th June 1976	1975
Turnover	3,659,896	2,993,865
Profits after all expenses but before taxation	69,814	30,157
Less estimated corporation tax 52%	36,303	15,681
Nett	33,511	14,476

The Directors have decided to declare an interim dividend of 0.975p net which will be paid on the 29th October 1976 to all shareholders registered at the close of business on 15th October 1976.

During the year we purchased a distribution organisation with a showroom and offices in Switzerland for the development of the export trade in Europe. A cash and carry warehouse in Bradford has also been acquired.

Sales continue to expand and we look forward to another record year.

SYDNEY ORCHART, Chairman.

## NOTICE OF REDEMPTION

## The Flitkote Company

4½% Debentures Due October 1, 1980

NOTICE IS HEREBY GIVEN that pursuant to the provisions of Article 13 of the Memorandum of Association of The Flitkote Company, Limited, the following amount of the 4½% Debentures due 1980 bearing the following numbers:

Coupon Debentures of \$1,000:

Debenture Number	Amount
M196 401	717 1032 1371 1851 2088
153 414	1721 1027 1372 1987 2097
180 417	725 1072 1373 1701 2145
226 420	749 1074 1391 1702 2147
227 421	750 1075 1392 1703 2148
228 422	751 1076 1393 1704 2149
229 423	752 1077 1394 1705 2150
230 424	753 1078 1395 1706 2151
231 425	754 1079 1396 1707 2152
232 426	755 1080 1397 1708 2153
233 427	756 1081 1398 1709 2154
234 428	757 1082 1399 1710 2155
235 429	758 1083 1400 1711 2156
236 430	759 1084 1401 1712 2157
237 431	760 1085 1402 1713 2158
238 432	761 1086 1403 1714 2159
239 433	762 1087 1404 1715 2160
240 434	763 1088 1405 1716 2161
241 435	764 1089 1406 1717 2162
242 436	765 1090 1407 1718 2163
243 437	766 1091 1408 1719 2164
244 438	767 1092 1409 1720 2165
245 439	768 1093 1410 1721 2166
246 440	769 1094 1411 1722 2167
247 441	770 1095 1412 1723 2168
248 442	771 1096 1413 1724 2169
249 443	772 1097 1414 1725 2170
250 444	773 1098 1415 1726 2171
251 445	774 1099 1416 1727 2172
252 446	775 1100 1417 1728 2173
253 447	776 1101 1418 1729 2174
254 448	777 1102 1419 1730 2175
255 449	778 1103 1420 1731 2176
256 450	779 1104 1421 1732 2177
257 451	780 1105 1422 1733 2178
258 452	781 1106 1423 1734 2179
259 453	782 1107 1424 1735 2180
260 454	783 1108 1425 1736 2181
261 455	784 1109 1426 1737 2182
262 456	785 1110 1427 1738 2183
263 457	786 1111 1428 1739 2184
264 458	787 1112 1429 1740 2185
265 459	788 1113 1430 1741 2186
266 460	789 1114 1431 1742 2187
267 461	790 1115 1432 1743 2188
268 462	791 1116 1433 1744 2189
269 463	792 1117 1434 1745 2190
270 464	793 1118 1435 1746 2191
271 465	794 1119 1436 1747 2192
272 466	795 1120 1437 1748 2193
273 467	796 1121 1438 1749 2194
274 468	797 1122 1439 1750 2195
275 469	798 1123 1440 1751 2196
276 470	799 1124 1441 1752 2197
277 471	800 1125 1442 1753 2198
278 472	801 1126 1443 1754 2199
279 473	802 1127 1444 1755 2200
280 474	803 1128 1445 1756 2201
281 475	804 1129 1446 1757 2202
282 476	805 1130 1447 1758 2203
283 477	806 1131 1448 1759 2204
284 478	807 1132 1449 1760 2205
285 479	808 1133 1450 1761 2206
286 480	809 1134 1451 1762 2207
287 481	810 1135 1452 1763 2208
288 482	811 1136 1453 1764 2209
289 483	812 1137 1454 1765 2210
290 484	813 1138 1455 1766 2211
291 485	814 1139 1456 1767 2212
292 486	815 1140 1457 1768 2213
293 487	816 1141 1458 1769 2214
294 488	817 1142 1459 1770 2215
295 489	818 1143 1460 1771 2216
296 490	819 1144 1461 1772 2217
297 491	820 1145 1462 1773 2218
298 492	821 1146 1463 1774 2219
299 493	822 1147 1464 1775 2220
300 494	823 1148 1465 1776 2221
301 495	824 1149 1466 1777 2222
302 496	825 1150 1467 1778 2223
303 497	826 1151 1468 1779 2224
304 498	827 1152 1469 1780 2225
305 499	828 1153 1470 1781 2226
306 500	829 1154 1471 1782 2227
307 501	830 1155 1472 1783 2228
308 502	831 1156 1473 1784 2229
309 503	832 1157 1474 1785 2230
310 504	833 1158 1475 1786 2231
311 505	834 1159 1476 1787 2232
312 506	835 1160 1477 1788 2233
313 507	836 1161 1478 1789 2234
314 508	837 1162 1479 1790 2235
315 509	838 1163 1480 1791 2236
316 510	839 1164 1481 1792 2237
317 511	840 1165 1482 1793 2238
318 512	841 1166 1483 1794 2239
319 513	842 1167 1484 1795 2240
320 514	843 1168 1485 1796 2241
321 515	844 1169 1486 1797 2242
322 516	845 1170 1487 1798 2243
323 517	846 1171 1488 1799 2244
324 518	847 1172 1489 1800 2245
325 519	848 1173 1490 1801 2246
326 520	849 1174 1491 1802 2247
327 521	850 1175 1492 1803 2248
328 522	851 1176 1493 1804 2249
329 523	852 1177 1494 1805 2250
330 524	853 1178 1495 1806 2251
331 525	854 1179 1496 1807 2252
332 526	855 1180 1497 1808 2253
333 527	856 1181 1498 1809 2254
334 528	857 1182 1499 1810 2255
335 529	858 1183 1500 1811 2256
336 530	859 1184 1501 1812 2257
337 531	860 1185 1502 1813 2258
338 532	861 1186 1503 1814 2259
339 533	862 1187 1504 1815 2260
340 534	863 1188 1505 1816 2261
341 535	864 1189 1506 1817 2262
342 536	865 1190 1507 1818 2263
343 537	866 1191 1508 1819 2264
344 538	867 1192 1509 1820 2265
345 539	868 1193 1510 1821 2266
346 540	869 1194 1511 1822 2267
347 541	870 1195 1512 1823 2268
348 542	871 1196 1513 1824 2269
349 543	872 1197 1514 1825 2270
350 544	873 1198 1515 1826 2271
351 545	874 1199 1516 1827 2272
352 546	875 1200 1517 1828 2273
353 547	876 1201 1518 1829 2274
354 548	877 1202 1519 1830 2275
355 549	878 1203 1520 1831 2276
356 550	879 1204 1521 1832 2277
357 551	880 1205 1522 1833 2278
358 552	881 1206 1523 1834 2279
359 553	882 1207 1524 1835 2280
360 554	883 1208 1525 1836 2281
361 555	884 1209 1526 1837 2282
362 556	885 1210 1527 1838 2283
363 557	886 1211 1528 1839 2284
364 558	887 1212 1529 1840 2285
365 559	888 1213 1530 1841 2286
366 560	889 1214 1531 1842 2287
367 561	890 1215 1532 1843 2288
368 562	891 1216 1533 1844 2289
369 563	892 1217 1534 1845 2290
370 564	893 1218 1535 1846 2291
371 565	894 1219 1536 1847 2292
372 566	895 1220 1537 1848 2293
373 567	896 1221 1538 1849 2294
374 568	897 1222 1539 1850 2295
375 569	898 1223 1540 1851 2296
376 570	899 1224 1541 1852 2297
377 571	900 1225 1542 1853 2298
378 572	901 1226 1543 1854 2299
379 573	902 1227 1544 1855 2300
380 574	903 1228 1545 1856 2301
381 575	904 1229 1546 1857 2302
382 576	905 1230 1547 1858 2303
383 577	906 1231 1548 1859 2304
384 578	907 1232 1549 1860 2305
385 579	908 1233 1550 1861 2306
386 580	909 1234 1551 1862 2307
387 581	910 1235 1552 1863 2308
388 582	911 1236 1553 1864 2309
389 583	912 1237 1554 1865 2310
390 584	913 1238 1555 1866 2311
391 585	914 1239 1556 1867 2312
392 586	915 1240 1557 1868 2313
393 587	916 1241 1558 1869 2314
394 588	917 1242 1559 1870 2315
395 589	918 1243 1560 1871 2316
396 590	919 1244 1561 1872 2317
397 591	920 1245 1562 1873 2318
398 592	921 1246 1563 1874 2319
399 593	922 1247 1564 1875 2320
400 594	923 1248 1565 1876 2321
401 595	924 1249 1566 1877 2322
402 596	925 1250 1567 1878 2323
403 597	926 1251 1568 1879 2324
404 598	927 1252 1569 1880 2325
405 599	928 1253 1570 1881 2326
406 600	929 1254 1571 1882 2327
407 601	930 1255 1572 1883 2328
408 602	931 1256 1573 1884 2329
409 603	932 1257 1574 1885 2330
410 604	933 1258 1575 1886 2331
411 605	934 1259 1576 1887 2332
412 606	935 1260 1577 1888 2333
413 607	936 1261 1578 1889 2334
414 608	937 1262 1579 1890 2335
415 609	938 1263 1580 1891 2336
416 610	939 1264 1581 1892 2337
417 611	940 1265 1582 1893 2338
418 612	941 1266 1583 1894 2339
419 613	942 1267 1584 1895 2340
420 614	943 1268 1585 1896 2341
421 615	944 1269 1586 1897 2342
422 616	945 1270 1587 1898 2343
423 617	946 1271 1588 1899 2344
424 618	947 1272 1589 1900 2345
425 619	948 1273 1590 1901 2346
426 620	949 1274 1591 1902 2347
427 621	950 1275 1592 1903 2348
428 622	951 1276 1593 1904 2349
429 623	952 1277 1594 1905 2350
430 624	953 1278 1595 1906 2351
431 625	954 1279 1596 1907 2352
432 626	955 1280 1597 1908 2353
433 627	956 1281 1598 1909 2354
434 628	957 1282 1599 1910 2355
435 629	958 1283 1600 1911 2356
436 630	959 1284 1601 1912 2357
437 631	960 1285 1602 1913 2358
438 632	961 1286 1603 1914 2359
439 633	962 1287 1604 1915 2360
440 634	963 1288 1605 1916 2361
441 635	964 1289 1606 1917 2362
442 636	965 1290 1607 1918 2363
443 637	966 1291 1608 1919 2364
444 638	967 1292 1609 1920 2365
445 639	968 1293 1610 1921 2366
446 640	969 1294 1611 1922 2367
447 641	970 1295 1612 1923 2368
448 642	971 1296 1613 1924 2369
449 643	972 1297 1614 1925 2370
450 644	973 1298 1615 1926 2371
451 645	974 1299 1616 1927 2372
452 646	975 1300 1617 1928 2373
453 647	976 1301 1618 1929 2374
454 648	977 1302 1619 1930 2375
455 649	978 1303 1620 1931 2376
456 650	979 1304 1621 1932 2377
457 651	980 1305 1622 1933 2378
458 652	981 1306 1623 1934 2379
459 653	982 1307 1624 1935 2380
460 654	983 1308 1625 1936 2381
461 655	984 130



## INTERNATIONAL COMPANY NEWS + EURO MARKETS

AT & T  
Quarterly  
earnings  
up \$1bn.

Jay Palmer

NEW YORK, Sept. 16. **ERICAN TELEPHONE** and **graph (AT & T)** the U.S. communications giant, has disclosed a new all-time quarterly earnings record. In the third quarter ending last September, AT & T's earnings rose to \$1.1 billion, up from \$1.0 billion in the same quarter of 1977.

The company said that in the third quarter ending last September, AT & T's earnings rose to \$1.1 billion, up from \$1.0 billion in the same quarter of 1977. The company's earnings were up 10 per cent from the same quarter of 1977.

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emaNord  
earnings dip

William Dufforce

ANORD, the Swedish chemical group which acquired 90 per cent of the shares of R and G, reports a decline in pre-earnings for the period 1 to August 8 from 19m. in 1976 to Kr.84.5m. in 1977. A profit fall anticipated and is in line with the company's forecast. The company's earnings were down 10 per cent from the same period of 1977.

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raithwaite & Co.  
Engineers Limited

Large and Constructional Engineers-Pressed Steel Tank Manufacturers  
The company has achieved a record profit of £248,000 compared with £245,000 for the previous year.

Work on suitable contracts has progressed steadily throughout the year, the largest being the fabrication of steelwork for Littlebrook "D" power station, which will continue throughout the current year.

In common with most other Engineering companies we suffered the expected marked falling off in orders from the home market. In addition, the work took active steps to pursue export enquiries and the accounts indicate an increase of 15% in export sales over the previous year.

Looking to the year ahead we again have substantial tonnages of structural fabrication in the order book. We have continued to pursue contracts abroad both for heavy steelwork and pressed steel storage tanks and towers. As a result, I look forward to another profitable year.

1976 1975  
Turnover £9,621,000 £8,862,000  
Profit before tax 846,194 452,531  
Profit after tax 397,194 216,031  
Earnings per share 28.8p 15.4p

Copies of the Report and Accounts can be obtained from the Secretary, 59 Church Rd., St. Bonham, Leathershead, Surrey KT23 3JU

This announcement appears as a matter of record only

Luxembourg banks discuss  
future rationalisation

BY DAVID CURRY

LUXEMBOURG, Sept. 16.

DISCUSSIONS are now taking place about the future of two Luxembourg banks which play a substantial role in the Euro-markets. They are the Banque Internationale à Luxembourg and the Banque Lambert-Luxembourg.

The discussions arise from the fact that both banks are now full or part subsidiaries of the Banque Paribas-Bruxelles-Lambert. In the case of the Banque Internationale à Luxembourg, this holding is 100 per cent, while the Banque Lambert holds around 30 per cent of the Banque Internationale.

This has come about following the merger of the two Belgian banks, Banque Lambert and Banque Paribas-Bruxelles-Lambert. The Banque Internationale à Luxembourg is a subsidiary of the Banque Paribas-Bruxelles-Lambert.

The parent bank wants to rationalise this situation, but the method of doing so will concern both the Luxembourg banking control commission which polices the financial system here, and the Luxembourg Government.

The latter is particularly involved because the Banque Internationale is one of the senior local banks apart from its Euro-bank activities and is a Luxembourg issuing bank (there is no central bank in the Grand Duchy).

The parent company at Brussels confirms that it is having discussions with Banque Internationale but says that a range of solutions is under review. At one extreme this would entail the merger of the two banks (which would probably have to be done so as to maintain a majority Luxembourg holding) while at the opposite extreme the Banque Internationale could seek to dispose of its international holding altogether.

The Luxembourg Banking Commission says that its interest is primarily to safeguard Luxembourg national interests derived from the international's domestic importance. It reports that from a banking regulation point

of view it would have no objection to the two banks continuing to operate with their existing structures and shareholdings. Observers tend to rate merger as the most likely outcome, but both the Banque Internationale and the Banque Lambert-Luxembourg have stressed the preliminary nature of the discussions. Banque Internationale has a balance-sheet total of around B.Frs.45bn., including of course, its domestic business, while the Banque Lambert-Luxembourg has a balance-sheet total in the B.Frs.16-17bn. range.

The Banque Paribas-Bruxelles-Lambert is the year-old creation of the merger between the Banque Lambert and Banque de Bruxelles. It was cast in the form of a take-over of the Banque Lambert by the Banque de Bruxelles since the latter's foreign exchange loss of more than \$45m. had made it impossible for the Banque de Bruxelles to continue to support the Banque Lambert.

Bank Leumi, the U.S. authorities' solution, has reported deposits of \$600m. It is a subsidiary of the \$7.9bn. Bank Leumi Ltd. of Tel Aviv.

Under the terms of the mandatory take-over, which has the blessing of the Federal Banking agencies, the Bank Leumi has agreed to assume a total of \$150m. in deposits and other liabilities of American Bank.

Bank Leumi, State regulators said, was competitive bidding for American Bank with an offer of \$12.5m. premium. The Federal Reserve Bank by the authorities follows reports earlier this week of increasing official concern over the bank's condition. However, the State regulator's report that the bank had been involved in illegal and unsafe activities came as a considerable surprise.

The New York bank became a target of an official study early this spring when regulators were asked to approve a bid for the only two other competitive bids, bank by an Argentinian business-

man. This study apparently showed an excess concentration of bank credits to this individual, at one point equal to nearly 90 per cent of the bank's capital. Subsequently authorities noted that the bank's liquidity had come under pressure following declining deposits and evidence of other sub-standard loans. At that point the Federal Reserve made emergency loans to the bank to enable it to survive and started looking for a more permanent solution.

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Ennia raises  
interim  
dividend

By Michael Van Os

AMSTERDAM, Sept. 16. **ENNIA**, a major Dutch insurance company, today reported it is able to raise its interim dividend to Fls.2.25 per ordinary share which is Fls.0.25 more than last year.

According to the half-year statement published in "De Haghe", the company's net profit has risen to Fls.15.3m., or 8.5 per cent more than profits last year (Fls.14.1m.), with the profit a share going up 6.5 per cent to Fls.3.91 (Fls.3.67).

Ennia said the results in the life insurance sector were "favourable" but those for general insurance were "less than optimistic".

The company also stated that in addition to a continuing favourable trend in life insurance, as expected, some improvement in general insurance is required for a 10 per cent rise during the full year in the profit per ordinary share.

Gross revenue Ennia's gross profit has risen 27.3 per cent, to Fls.57.5m., with policyholders' participation increasing sharply by 37.2 per cent, to Fls.40.2m. This left a pre-tax profit of Fls.17.3m., which was up 8.3 per cent on the first half of last year.

The statement says gross revenue has totalled Fls.60.6m. in the first half, representing an increase of 12.9 per cent on the same period last year. Broken down by sector of activity, gross revenue in life insurance rose by 16.3 per cent to Fls.31.6m., general insurance rose by a modest 6.8 per cent to Fls.23.5m., and gross revenue from the non-insurance activities advanced 26.2 per cent to Fls.4.5m.

Ennia's total expenses went up by 15 per cent to Fls.106.5m. Ennia's new sums assured in the life insurance portfolio showed a 26.2 per cent rise, to Fls.1,098m., for individual, while the group's total claims declined by 13.8 per cent to Fls.781m.

Hagemeyer has profit boost  
By Michael Van Os  
AMSTERDAM, Sept. 16. **HAGEMEYER**, a leading Dutch trading company with interests in a number of countries, said today that its first-half net profit amounted to Fls.6.2m. on sales of Fls.596.6m.

Because it is Hagemeyer's first interim statement, it was not able to give last year's comparable figures. The company said that profits in the second half of this year were expected to be "substantially exceed" those of the first period.

Hagemeyer, which employs over 6,000 people, last year recorded net profits of Fls.10.2m. on sales of Fls.1,078m. It said that its first-half operating profits amounted to Fls.28.8m. with the pre-tax profit totalling Fls.12m. Taxation accounted for Fls.4.3m. while third parties' share was Fls.1.5m.

Profit per share of Fls.20 was given as Fls.4.47 over some 1,396m. shares, compared with Fls.7.06 (1,328m. shares) last year when its dividend declaration had been Fls.6 cash or Fls.10 in shares.

from the premium reserve.

Zaire is currently in the process of renegotiating its foreign currency debts with international commercial banks. Tony Hawkins and Mary Campbell discuss the background to the negotiations.

## Zaire's economic problems

ZAIRE'S economic problems are far from unique. For a long time, concern has been mounting about the foreign debt burden of the non-oil producing less developed countries as a whole. True, their external payments deficit is expected to show some improvement on last year's \$35bn.—perhaps falling to \$32bn. in 1978—but the problems of the poorer LDCs, especially in Asia and Africa, south of the Sahara, appear as intractable as ever.

The significance of the Zaire situation, however, is that it is a rare case of formal renegotiation of debt—in most cases the banks have either just cut their losses or extended further loans to enable payment of interest and principal to be maintained as it falls due.

Events of the last few years have also hit Zaire worse than most. The effect of increased oil prices was compounded by the slump in copper values—the foreign exchange cost of the two together has been put at more than \$500m. in 1975 alone. These difficulties were seriously accentuated by the Angolan civil war, in which Zaire backed the losing side. Its chief export route—the Benguela railway which runs through Angola—was severed and Zaire has been forced to rely upon lines of communication that are not only far less efficient and far more expensive, but also inadequate. It has been reported that the State mining company, Gémines, is exporting almost half its copper output from South African ports, using the Zambian and Rhodesian rail system and importing coal, coke and maize from Rhodesia on the backhaul despite the official closure of the border between Zambia and Rhodesia.

Prior to the 40 per cent devaluation of the Zaire in March this year, the foreign exchange shortage was being estimated at \$800m. this year which exceeds a full year's foreign currency earnings calculated at around \$550m. At the end of 1974 it was reported that 11.7 per cent of Zaire's foreign earnings were being pre-empted to meet the debt-service demands of international reserves, which reached \$250m. in mid-1974 at the height of the copper boom (Zaire is the world's fifth largest producer), fell to below

\$40m. a year ago. By mid-1976 they had recovered to \$112m. primarily as a result of borrowings from the IMF in the form of the compensatory and oil facility drawings.

The pre-requisites for short-run economic rehabilitation would appear to be far-fetched. First, a sustained improvement in the copper price, of which there is depressingly little evidence just at present. Secondly, the reopening of the Benguela railway—although there are no technical reasons why it should not be back in operation, apparently the military situation within Angola itself has not stabilised sufficiently for this to occur.

Foreign capital Thirdly, curbs on state spending. These have already been introduced, but major expenditure on converting the role of the national into an all-land export route by the construction of a railway between Lebo (formerly Port Francqui) and Kinshasa is still essential.

Finally, Zaire needs a mutually satisfactory resolution to the debt rescheduling problem in order to re-open access to private sector foreign capital. Not that the present economic framework offers much scope for further borrowing. The World Bank is believed to have calculated that by 1986 the debt service burden will be absorbing some 30 per cent of state spending, even without further borrowings.

But, in the medium term structural change is clearly essential. Even at depressed prices copper still contributes some 80 per cent of foreign exchange earnings and the experience of the 1972 and 1976 copper slumps has underlined the necessity for broadening Zaire's economic base with priority given to the neglected agricultural sector.

Meanwhile, it is becoming increasingly likely that negotiations on the foreign debt problem are likely to run to more than the two meetings which have already been scheduled. Following the meeting scheduled to take place in London next Wednesday, international bankers expect Mr. Sambwa Pida Nguaku, the Governor of the central bank, will fly to Manila for the annual meeting of the

IMF and will then return for a further and, it is hoped, final meeting with Zaire's commercial banking creditors in mid-October. Wednesday's meeting will be the second between representatives of the 11 international banks and the Zaire Government following a first session in London early this month at which Zaire is understood to have submitted proposals for rearranging its obligations to the banks. The banks concerned represent syndicates which have made loans estimated at between \$700m. and \$800m. to Zaire on which payments are up to 18 months overdue.

The current round of meetings is the second for Zaire this year: in mid-June agreement in principle was reached between Zaire and a consortium of 12 creditor countries—the so-called "Paris Club"—on rescheduling the Republic's bilateral Government-to-Government borrowings, thought in commercial banking circles to be around \$800m., with overall foreign indebtedness estimated at approaching \$3bn.

Details of this agreement have not been released, but it is understood that Zaire agreed to repay immediately 15 per cent of the interest and capital due in 1973 and the first half of 1974. The remaining 85 per cent was then to be stretched over a ten-year repayment period with an initial grace period of three years.

At the first meeting dealing with private sector debt, Mr. Sambwa Pida Nguaku is believed to have suggested that all arrears up to June 30, 1978, and the principal falling due in the latter half of 1978 and in 1977 be rescheduled over a 15-year period (probably starting in 1978) with a five-year grace period.

He is reported to have urged that penalty interest should be waived during this period but after July 1, 1978, would remain payable according to the original schedule.

For their part, it is thought that the banks will be seeking—as their minimum objective—in secure terms similar to those agreed by Zaire and the Paris Club in June in respect of the Government-to-Government borrowings. The banks are expected to meet to discuss their submission early next week in preparation for Wednesday's meeting with the Zairians.

## CII outlines new programme

BY RUPERT CORNWELL

PARIS, Sept. 16.

The French-American computer giant Honeywell Bull today gave the first outline of its plan to harmonise the product lines of the two companies, whose merger took its final shape on June 30 this year.

The announcement, made by group chairman M. Jean-Pierre Brule, marks the end of a period of vagueness over its intentions and provides proof of its determination to meet the schedule laid down during the discussions leading to its formation.

The programme, named Unisys, is aimed at forming a unified range of computers by the year 1982 and 1985 from the three main lines it markets to-day—Honeywell Bull's series 60, CII's IRIS range, and the Service 77 machines that the former State-backed French company evolved in partnership with Philips and Siemens in the ill-fated Unidata association.

M. Brule gave a confident, but carefully measured assessment of the prospects of the new company which is still a delicate topic in political and industrial circles here. He reaffirmed that CII-Honeywell Bull, which has annual sales of over Frs.3bn. (£240m.), would be a profit-making enterprise and able to stand on its own feet once Government subsidies expired by 1980.

## Singapore plans Yen-bond issue

BY OUR OWN CORRESPONDENT

SINGAPORE, Sept. 16.

THE SINGAPORE Government is expected to be around 8 per cent.

The new issue will be the Singapore Government's third external currency bond issue, loan from a group of seven international banks. Citicorp International Bank and First National Bank in Dallas said.

DM100m. 7 1/2 per cent. bond maturing in 1982. The Pohang Iron and Steel has received a \$300m. medium term loan from a group of seven international banks. Citicorp International Bank and First National Bank in Dallas said.

SELECTED EURODOLLAR BOND PRICES

STRAIGHTS

AluFinance

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## Polyamide Intermediates Limited

Jointly owned by

Monsanto Limited

and

Montefibre (U.K.) Limited

£18,000,000

Project Financing

Managed by

Orion Bank Limited

Provided by

The Chase Manhattan Bank, N.A.

International Westminster Bank Limited

Bank of Montreal

Credito Italiano

Lombard North Central Limited

Orion Bank Limited

The Royal Bank of Canada

The Royal Bank of Scotland Limited

Westdeutsche Landesbank Girozentrale







## ARMING AND RAW MATERIALS

Japanese will  
boost output  
aluminium

TOKYO, Sept. 16. Japanese aluminium production is expected to increase in 1978, with the industry's production in 1977 rising by 10 per cent, to 1.5 million tonnes.

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Cotton output  
expected

ASHINGTON, Sept. 16. COTTON production in 1978 is expected to be 1.5 million tonnes, with the industry's production in 1977 rising by 10 per cent, to 1.5 million tonnes.

on mid-July assessment said world cotton stocks for 1978-79 are at 23.5m, bales, down from 25m in 1977-78. The SDA said world cotton stocks for 1978-79 are at 23.5m, bales, down from 25m in 1977-78.

ish bacon  
re

Commodities Staff. BRITAIN'S biggest bacon producer has announced a 10 per cent increase in its first hand price.

company said with the rising price of piglets, it had to increase its price. The company said with the rising price of piglets, it had to increase its price.

EEC near agreement  
on sheep meat rules

BY ROBIN REEVES

THE LONG drawn out, mainly secret negotiations between the U.K., France and Ireland on the basis for a common EEC sheep meat regime now seems virtually certain to lead to the introduction of a "safeguard clause" enabling the Community to ban imports of mutton and lamb from New Zealand and elsewhere in depressed market conditions.

Discussions on the setting up of a common sheep meat regime, which were forced on the EEC's dominant lamb producing and consuming countries, Britain and France, by Ireland and the Netherlands, have been going on for months, mostly behind tightly-closed doors.

Negotiations have reached the stage where formal blessing of the introduction of a common sheep meat regime is possible. And, according to usually reliable sources, the U.K. is reported to have been going on for months, mostly behind tightly-closed doors.

The power for Brussels to ban imports has been particularly insisted on by France, which has

been concerned all along to ensure a common EEC sheep meat regime does not undermine returns to its own producers.

At the same time the Brussels Commission, which would be empowered to activate such a ban, and Ireland, a member country, simply regard a safeguard clause as a normal adjunct of a Common regime for any agricultural product.

The Commission further argues that in practice it will never be used against the U.K.'s imports of New Zealand lamb, which meet more than 40 per cent of the consumption in Britain.

At most, it would be used against sudden influxes of lamb from Eastern Europe, says Commission officials.

Nevertheless, the original British objection to a safeguard clause—that it is totally unnecessary for a product in which the Community is far from self-sufficient—remains.

The inclusion of the clause is also bound to be viewed with deep concern in New Zealand, which, despite vigorous efforts at diversification, still relies on the U.K. market to absorb 70-80 per cent of its lamb exports.

BRUSSELS, Sept. 16.

The danger of the safeguard clause being activated against NZ imports stems not so much from the appearance of a glut of lamb but from the fact that it could be used as a mechanism for disposing of beef surpluses.

Given the negligible interest of lamb to most EEC members, it is simply not certain in any country outside Britain, France and Ireland—a sheep meat safeguard clause could be viewed by a majority of anxious agricultural ministers in the future as a useful instrument for helping to clear a beef market glut.

The basis of the common regime for sheep meat under discussion is a system of compensatory payments on trade between France and the U.K. and Ireland, aimed at maintaining the present wide gap in prices between markets.

At present, sheep prices in France are higher than in the U.K. and Ireland, but they are expected to fall in the future as the U.K. and Ireland's demand for a relatively smaller charge on its lamb exports to France to cover greater transport costs.

Cocoa price  
decline  
quickness

By Richard Mooney

THE DECLINE in cocoa values which started on Wednesday gathered pace yesterday. By the close the December position on the London terminal market was £1,363.5 a tonne, £82.75 down on the day and £21.5 below Tuesday's all-time peak.

The overnight tone in New York led dealers to expect the market to open about £20 lower than the previous day's close, the permissible limit of £30 down.

Persistent trade buying staved off the operation of the limit rule until late morning.

Prices remained relatively steady for most of the afternoon but late in the day a trader who had been a major buyer in the early morning became a seller and prices dropped sharply.

Dealers could point to no tangible reason for the sharp decline. But they noted the sharp rise in the price of cocoa beans, the sheer size of the recent upsurge had made the market nervous about the scale of the eventual fall.

Dearer wool  
forecast

INVERCARGILL, Sept. 16

NEW ZEALAND wool prices have not yet reached their peak, particularly as the northern autumn is approaching after an abnormally hot summer, Mr. John Clarke, chairman of the New Zealand Wool Board, said here.

He told the annual conference of New Zealand wool merchants that while the market is generally far more buoyant than in the last two years, it still has elements of change. "We appear to be reaching the point where the pipeline is reasonably well filled."

At the start of the season there was some internal enthusiasm by traders who recognised the market was going to be dearer and found themselves in an unbalanced position.

Crossed prices were pushed to a somewhat higher level, but the market had levelled out and crossbreds had eased with corresponding increases for finer wools.

Supplies of New Zealand wool must be down because of the sale of stockpile wool, he said. Taking account of the sale of stocks, the Australian Bureau of Agricultural Economics forecast a drop of no less than 10 per cent in world supplies.

FORAGE MAIZE  
Remarkable survivor  
of the drought

BY DAVID RICHARDSON

TRAVELLING AROUND the English countryside this summer has been a singularly depressing occupation for farmers with cattle to feed through the winter. Fodder crops of all kinds have been disastrous. But one of the few crops which has stood up to the drought relatively well is forage maize, fields of which have provided notable oases of green in an otherwise parched landscape recently.

## Harvested

Not that maize has escaped the effects of the drought entirely. Crops now being harvested are yielding only about three-quarters of what would be considered good in a normal year.

But compared to alternative sources of fodder, forage maize has survived remarkably well in the coldest and cloudiest British summers on record, 1972 and 1973.

Now the hottest and driest has ripened it weeks before normal. Throughout, it has been severely tested against more traditional needs and still the number of farmers growing it has increased.

A major part of its appeal is undoubtedly the way in which it grows in this country where it fits in with intensive arable

considered cranks. It was stupid, the establishment arguments went, to try to adopt a crop developed for North America, in the U.K. The climate was wrong and there was in any case very little tackle available to handle it. And if a crop were to be successfully grown it would be too successful.

Nevertheless, the national acreage increased from 3,500 in 1970 to 7,500 in 1971 and then virtually doubled each year until 1975. This year the area sown to maize has consolidated at about 80,000 acres. There are confident predictions from the seed trade that next year at least 100,000 will be planted.

In short, the maize crop has arrived and many enthusiastic growers have themselves been surprised by its versatility.

In spite of assurances to the contrary, it has survived two of the coldest and cloudiest British summers on record, 1972 and 1973.

Now the hottest and driest has ripened it weeks before normal. Throughout, it has been severely tested against more traditional needs and still the number of farmers growing it has increased.

A major part of its appeal is undoubtedly the way in which it grows in this country where it fits in with intensive arable

cropping. Although weather patterns also have a bearing, it is no coincidence that more than half the U.K. acreage is grown in the arable East and South-East.

A measure of the value farmers put on maize as a feed can be gauged from a sale reported recently of the farming prize A total of 38 acres of standing maize was sold by auction in Hampshire for nearly £340 an acre.

## Potential

It may be that the potential of the maize crop is not yet fully realised. Work currently being done in America seems to suggest that by genetic manipulation it may be possible to produce crops which bear grain in the tassels of the plant rather than in the usual cobs.

If it can be achieved, and I understand trials on hybrid plants are already encouraging, north potential yields of grain maize can, in theory, be more than doubled. The possibility, however, is at least 10 years away and should not affect futures prices across the Atlantic just yet.

## Bid to boost fodder supply

BY DAVID CURRY

LUXEMBOURG, Sept. 16.

THE BRUSSELS Commission is asking the Council of Ministers to agree to suspend the remaining duties on imported animal fodder as part of its campaign to overcome the effect of the drought on the livestock sector.

The Commission has told the European Parliament here today that it hoped to have approval for the measure next week. It would cover principally vegetable fodder and fodder roots.

The Farm Commissioner admitted that this was "only a drop in the ocean" and said that the levy system would remain in place.

He cited the decision to extend throughout large part of the Community the granting of special aids for skim milk powder used for animal feed as evidence of the Commission's constant monitoring of the situation.

He repeated his assurances that basic commodities would be available at unchanged prices. "We can guarantee normal provision at last year's prices," he said. "We can guarantee normal provision at last year's prices."

around 5-600,000 tonnes of skim milk and 125-175,000 tonnes of butter, for example.

Milk production would probably be 5 to 6 per cent down on last year over the winter, and the drought would drop in quantity though ample refrigerated supplies were available.

However, the drought had done no more than prevent the dairy sector problems worsening in the immediate future.

Among other measures of aid that it might prove necessary to extend beyond the end of the year the suspension of import duties on potatoes, and beyond November that on fresh vegetables. Prices would remain at last year's levels for "a large majority of vegetables."

Explaining the Commission's attitude to national aid measures he made clear that selective measures to aid the regions and the sectors worst affected by drought would be regarded as being in conformity with the spirit of the Treaty of Rome.

specific and selective measures as possible.

This assertion came in reply to the Socialist group in the Parliament which, in the shape of Mr. Mark Hughes, had warned that the Commission and Council should not be panicked by the crisis to take generalised action which would do permanent damage to the Community.

In particular they wished to be sure that the consumer would not have to pay for the drought twice by way of higher prices and increased taxation to reimburse farmers.

The Parliament had before it a paper from the Dutch chairman of the Council of Ministers summarising Community action to date to combat the effects of the drought.

It also indicated that the Commission had further ideas on intervention and duties suspension would be received favourably.

## SOYABEAN MEAL

The market opened firmer in line with Chicago trading activity in the morning. The market was going to be dearer and found themselves in an unbalanced position.

Crossed prices were pushed to a somewhat higher level, but the market had levelled out and crossbreds had eased with corresponding increases for finer wools.

Supplies of New Zealand wool must be down because of the sale of stockpile wool, he said. Taking account of the sale of stocks, the Australian Bureau of Agricultural Economics forecast a drop of no less than 10 per cent in world supplies.

Dealers could point to no tangible reason for the sharp decline. But they noted the sharp rise in the price of cocoa beans, the sheer size of the recent upsurge had made the market nervous about the scale of the eventual fall.

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## PRICE CHANGES

Prices per ton unless otherwise stated

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Though world demand for steel is only recovering slowly, Japanese steel makers are once again looking out for firm supplies of Australian iron ore. Douglas Ramsey reports from Tokyo.

## Japan's billion dollar mining deal

JAPANESE AND Australian interests have been negotiating what could well be the biggest resource deal of the decade between the two countries. The money involved is massive: \$U.S.4.5bn. at present prices for 15 years' shipments of iron ore to Japan's steel makers, and, perhaps, an additional \$U.S.350m. Japanese equity holding in a new Western Australian iron ore mine. The entire pace of Australian resource development is at stake, which could be seriously hampered if Japan decides to buy the ore from existing mines instead of helping to open up new ones.

Breaking their silence for the first time, two Japanese steel producers have supplied the Financial Times with information about the state of play in the delicate talks with Australian mining companies and officials from Canberra. In a recent interview, Mr. Takashi Imai, general manager of the iron ore department at Nippon Steel and co-ordinator of the Japanese negotiating team, confirmed that the Australian producers are offering some 70m. tonnes of iron ore a year, but that Japan will only negotiate contracts for 20m. tonnes. "So much is already firm," Mr. Imai said. "Now it is a matter of deciding where the tonnage will come from."

Separately, another of Japan's Big Five steelmakers agreed to disclose, though refusing to be named, the production and cost terms outlined by Australia's mining groups at the outset of the negotiations. Those terms are by and large confirmed by other Japanese steel companies (and in the interview with Mr. Imai). Existing mines at Mt. Newman, Hamersley, and Robe River are offering a total 20m. tonnes from their planned mine extensions, and new mines at Goldsworthy C. Marandoo, and Deepdale could bring nearly 50m. tonnes on line by 1980 or shortly thereafter.

"The cost of opening a new mine to produce 20m. tonnes of iron ore a year is about \$1bn," Mr. Imai said. "For an existing mine, a 6m. or 7m. tonnes capacity expansion would cost only a tenth of that, and the Japanese side would not have

to provide the finance for expansion. But the new mines are insisting on a cost-of-opening guarantee, as well as a fair view of return from us on top of a Japanese equity stake."

"Clearly, in money terms, mine expansion would be a cheaper, easier option for Japan," according to Mr. Imai. "But the arguments for opening a new mine are also strong. Indeed, they may be stronger. They boil down to the diversification of iron ore supplies away from existing mines, the

be very attractive to Japanese steel makers who want, money permitting, to take the longer view."

Diversification is one component of that longer view. Japanese steel-makers have already done their best to diversify between countries, particularly by buying 20m. tonnes a year from Brazil. The argument applies to new mines in much the same way as it does to new supplier countries.

holders in the past has varied greatly. The equity issue is a difficult one, although Japanese companies seem willing to take the plunge if Australia goes some way towards meeting their demands. New favourable treatment for the mining sector in Canberra's budget last month was a big first step. Now, it is understood in Tokyo, Japanese importers want two specific demands met. The first is a three-year price fixing for raw material and fuel imports, to

potential. To do otherwise would be unwise, and Japanese industry, despite a rough recession, has not yet lost its penchant for investing wisely and with the longer view.

The steel companies may throw a bone to one or more of their present suppliers (who send some 70m. tonnes a year to Japan) and put in a small additional order, but only if the price is right. (Other Japanese companies, in particular Mitsui at Robe River and a Mitsui-C. Itoh combine at Mt. Newman

prices in line with the costlier new mines, so the savings to Japan would only be in a cheaper one-third equity stake.

Deepdale, moreover, already has commitments to BHP, so only 6m. tonnes of a 15m. tonnes capacity after the third year of operation could go to Japan. So for Japanese steel companies the Deepdale option would also mean large additional commitments for expanding older mines. This is feasible but more complicated than going into once-and-for-all new mines.

There are two such projects. The first is Goldsworthy C, with three one-third equity shareholders at present: Utah, Cyprus and CCA. Though a major restructuring is now proposed, it can start producing in 1979, and jump to 18m. tonnes output by 1981. The capital costs are estimated at \$Aust.563m. (about \$400m.), and operating costs at \$Aust.55 a ton.

Marandoo is at present a 50-50 joint venture of Texas Gulf and Hancock and Wright. Ore deposits are a shade less than at Goldsworthy C, but first shipments can come in 1978, and reach 18m. tonnes by 1980, a year earlier than its competitor. The Marandoo negotiators are initially asking for a 21-year contract with Japanese buyers (as opposed to 18 for Goldsworthy), but it is now understood that a 15-year contract is acceptable. Capital outlay for Marandoo would be an estimated \$Aust.100m. more than at Goldsworthy, although operating costs there after will be more like \$Aust.3.5 a ton. A one-third stake in the mine is on offer to the steel companies.

Which is the better investment? Mr. Imai of Nippon Steel says all the projects are still under study. But in reply to a question about equity participation—"If you take a stake which would you prefer, a Japanese or a smaller one?"—the Japanese negotiator said unequivocally, "the larger one." That would, all other things being equal (which of course they are not), tip Marandoo as the most likely to succeed.

There is still some time to go before the final decision, and all the mine operators will struggle to sway the steel-makers. Whichever wins, it is the Japanese who are calling the shots on this deal.

See also Mining News Page 51

### THE NEW MINE PROPOSALS

#### GOLDSWORTHY C

Shareholders: Utah, Cyprus, and Consolidated Gold Fields Australia, each one-third.  
Deposits: Proven 242m. tonnes. Production offered: 6m. tonnes in 1979, 12m. in 1980, 18m. from 1981.  
Capital outlay: \$Aust.563m. (assuming joint use of some Mt. Newman infrastructure). Operating costs: \$Aust.5.07 a ton.  
Equity offered to Japanese buyers: 20-30 per cent.  
Price asked: Cost guarantee plus 15 per cent. rate of return.

#### MARANDOO

Shareholders: Texas Gulf 50 per cent.; Hancock Wright 50 per cent.  
Deposits: Proven 239m. tonnes. Production offered: 4.5m. tonnes in 1978, 13.5m. in 1979, 18m. from 1980.  
Capital outlay: \$Aust.674.9m. Operating costs: \$Aust.3.61m.  
Equity offered to Japanese buyers: one-third.  
Price asked: Cost guarantee plus 13 per cent. rate of return.

#### DEEP DALE

Shareholder: Broken Hill Proprietary 100 per cent.  
Deposits: Proven 830m. tonnes. Production: 18m. tonnes after third year of operation, but only 6m. tonnes available for export to Japan.  
Capital outlay and operating costs: Not available (but low, to use existing Robe River infrastructure).  
Equity offered to Japanese: one-third.  
Price asked: Market price.



Loading iron ore at Port Hedland, Western Australia.

first major Japanese steel equity stake in a foreign mining venture: and, most important, the long term potential for boosting output if the world steel market picks up in the 1980s. The 20m. tonnes of iron ore "do not take into account working our plants to capacity," Mr. Imai said, all-out steel production would require additional iron ore input.

In the case of at least two new mines, Goldsworthy C. and Marandoo, capacity could be pushed to twice the foreseen level in the mid-1980s if need be. This flexibility, despite the high cost of opening up, could

On equity, Mr. Imai confirmed information from other Japanese steel sources that Marandoo and Deepdale were offering Japan a one-third stake, and Goldsworthy C. a 25 per cent. one. Japan's equity participation in overseas iron-ore ventures so far has been limited to an iron-ore pellet operation in Brazil, where the various Japanese steel companies took shares roughly equivalent to their planned respective import levels for pellets. But in the case of Australia, there are some reservations. Canberra's treatment of foreign equity

provide a stable trade flow while the new mine or mines are under construction. The second is that Australia should reduce import duties on Japanese exports of mine development goods.

Asked whether any new mine or mine expansion has definitely been ruled out by the Japanese side, Mr. Imai replied firmly "no." But it is clear from what is on offer and what Japan needs that the choice is rapidly narrowing down to perhaps two producers. Assuming that finance is available, the steel companies will probably go for River's infrastructure. But Deepdale is apparently asking for

already have minority stakes in the mines capable of expansion, another reason for the steel producers to secure a major stake in Australian mining besides their 8 per cent. in the Hamersley consortium. This week Nippon Steel itself took a 3 per cent. share in Robe River.) The race must then narrow down to the contestants offering new mine capacity. Deepdale, wholly owned by Australia's steel giant, Broken Hill Proprietary (BHP), will cost least to develop, after having purchased a half interest in Robe River's infrastructure. But Deepdale is apparently asking for

### APPOINTMENTS

## Changes at United Biscuits Group

**UNITED BISCUITS (HOLDINGS)**, Mr. J. P. Mann, group deputy-chairman, has been appointed chairman of U. B. (Holdings) U.S. Mr. W. P. Gunn, previously group finance director, has been appointed chairman of United Biscuits (U.K.). Mr. J. Blyth, previously commercial director, has been made group finance director.

**DENCO HOLDINGS GROUP**, following the resignation of Mr. Stephen Saldanha as managing director of Denco Miller to take up an appointment in the U.S., Mr. A. G. Jackson, deputy managing director of Denco Holdings, has been appointed managing director of Denco Miller. Also added to the Board of this company are Mr. Robin Wigzell, managing director of Denco Engineering Services, Mr. Colin Holmes, Mr. Roy Thomas, director and general manager of Denco Middle East, Mr. Norman Davies and Mr. Harry Speight.

Mr. A. G. Jackson, deputy managing director of Denco Holdings, has been appointed managing director of Denco Miller. Also added to the Board of this company are Mr. Robin Wigzell, managing director of Denco Engineering Services, Mr. Colin Holmes, Mr. Roy Thomas, director and general manager of Denco Middle East, Mr. Norman Davies and Mr. Harry Speight.

Mr. J. H. Russell, group managing director of Dupont, has been appointed a non-executive director of the Birmingham local Board of BARCLAYS BANK.

The following have been appointed directors of C. W. KELLOCK, shipbrokers: Mr. A. A. Ferris, Mr. A. J. S. Goldman and Mr. R. E. TIL.

Celtic Petroleum, of Bermuda, has announced the appointment of Mr. John Lister as managing director of its London service company, COMMERCIAL PETROLEUM ASSOCIATES. Mr. Lister was previously in charge of BP products trading in Europe and the Western Hemisphere.

Dr. Hyman Rose has been appointed group technical director of FOSCO MINSEP INTERNATIONAL, part of the Fosco Minsep Group. Dr. Rose joins the Group on October 1 from the International Research and Development Co., where he has been managing director since 1967.

Mr. John Greenwood has been appointed sales director of ULTRAMAR GOLDEN EAGLE, the U.K. marketing subsidiary of the Ultramar Group. He was previously sales manager in charge of all retail gasoline and authorised distributor sales.

Mr. J. C. Court has relinquished his position as a director, and deputy chairman of BSG INTERNATIONAL, but will continue his association with the company as a consultant.

Mr. Michael Stoney has been appointed a director of CITY OF LONDON WINE AND SPIRIT MERCHANTS.

**WAREHOUSE**, the wholesaling arm of Augustus Barnett and Son, Mr. Stoney, who will be responsible for the day-to-day management of the company, joined Augustus Barnett in 1974.

Mr. K. E. Cheshire and Mr. R. A. Noakes have been appointed senior executives, European area, MIDLAND BANK INTERNATIONAL DIVISION. Mr. Cheshire was previously senior European representative, Brussels, and Mr. Noakes was a foreign manager, European area.

Mr. C. J. Elliott has been appointed to the Board of OVERSEAS INSURANCE SERVICES.

Mr. David Ismet, general manager of the Sheffield unit of W. F. NORTON (MACHINE TOOLS), has been appointed a director of the company.

Mr. M. G. Rider will join the Board of OWEN OWEN on December 1 as group financial director.

Mr. C. W. Schultz, who has been appointed managing director of ULFERTS INTERIORS, was previously a marketing executive with Ford of Europe, Inc.

Mr. J. D. A. Wallinger will be joining the partnership of ROWE AND FITZMAN, HURST-BROWN on November 1.

Mr. J. F. L. Davis and Mr. J. L. KELLOCK will become partners in FRESHFIELDS on October 1.

Mr. Brian J. Hodgkins has been appointed technical director of CHLORIDE STANDBY SYSTEMS. He was previously with M.R.E. Eastleigh, where he was director and manager of the electrical division.

Mr. Gordon Byard, who has been appointed secretary of WILKINSON MATCH following the retirement of Mr. Guy White, was previously assistant secretary.

Mr. Brian J. Cox has been appointed group taxation accountant, CORAL LEISURE GROUP. Mr. Cox was previously assistant tax manager of Rediffusion.

Mr. Neil Harvey Davenport has been co-opted to the Board of the TOR INVESTMENT TRUST.

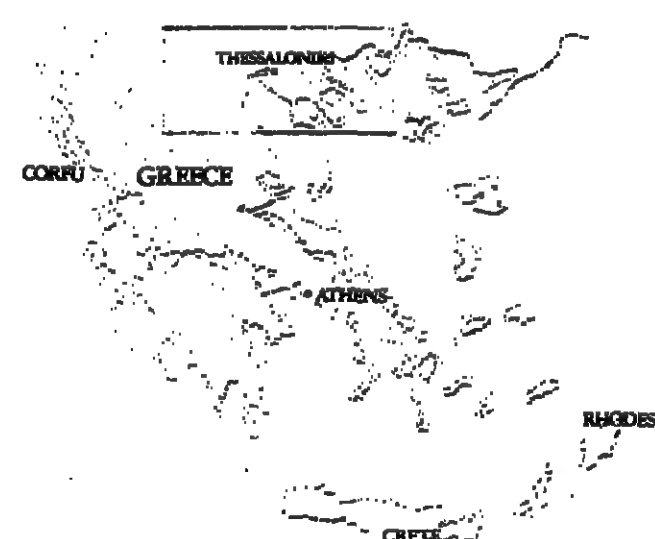
Mr. William Broad has been appointed director of finance, TRUST HOUSES FORTÉ GROUP. He was previously deputy chairman and financial director of Reid International.

Mr. John Wilson has retired as senior general manager of STANDARD CHARTERED BANK and Mr. C. McCulloch has been appointed in succession from October 1.

Mr. A. J. Sammons has been appointed a director of MOSCOW MERCHANTS.

# This city and its peninsula are of such beauty, it is worthy to carry the name of my wife, Thessaloniki.

Cassander, 'King of the Macedonians' 316 BC.



Philippi, the charming fishing port of Kavalla, and lush green Thassos, an island beautiful beyond description.

To the west you will find heady Mount Olympus, the Gods' seat in the sky, Kastoria, with its 18th century mansions clinging to the edge of a mountain lake, and the famed mosaics of Pella, the archeological site that was once the birthplace of Alexander the Great.

The most renowned warrior in the history of Greece, Alexander brought power to Macedonia, and achieved near-divine status as he multiplied the Grecian world four-fold.

But his death marked the sunset to the long day of classical Greece, and Thessaloniki itself, though largely modern and comfort-filled, amazingly still bears witness to 2,000 years of successive conquests.

The Roman 'Triumphal Arch of Galerius', The Byzantine churches and mosaics. The famous Venetian 'White Tower'. And the wonderfully preserved 'Old Town'.

The old lives on with the new. And that exactly explains the magic at the heart of every Grecian holiday.

For information on the incredible choice available, just write to: The National Tourist Organisation of Greece, 195-7 Regent Street, London W1. Or call 01-734 5997/8/9. Or ask your travel agent.

And if you decide to begin in Macedonia-Greece and its peninsula, then you will surely discover that Cassander must have married a most beautiful woman.



With this dedication, Cassander paid a lasting tribute to a city that was to grow to near-Athenian stature, and to a peninsula that boasts the most beautiful landscape in all the Hellenic world.

A sun-worshiper's paradise called Halkidiki, this peninsula holds spectacular contrasts within its three 'fingers' that stretch deep into the Aegean.

Kassandra is already graced with tourist complexes and luxury hotels.

Sithonia harbours colourful fishing villages, camping sites and mile after mile of enchantingly unspoilt, even deserted, coves.

While Mount Athos reveals, alas for male eyes only, the intimate, medieval atmosphere of some twenty monasteries.

But Halkidiki is just a part of Macedonia-Greece, truly an explorer's haven.

To the east lie the ruins of famous

## Greece and the Hellenic Isles.

They're closer than you think.

سكنا من الاصل



## AUTHORISED UNIT TRUSTS

[illegible]

## INSURANCE, PROPERTY, BONDS

## REGIONAL MARKETS

tion of the share prices previously shown under regional headings is now with quotations on London. Irish issues, most of which are not listed in London, are shown separately and with prices as on the Irish

[illegible]

## OD PRICE MOVEMENTS

Sept. 16	Week ago	Month ago
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	£	£	£
h A.1 per tonf .....	910	950	940
h A.1 per tonf .....	925	920	920
h Special per tonf .....	920	920	920
h A.1 per tonf .....	1250	920	920
(packet)			
20 lb st	9.24- 9.38	9.24- 9.38	9.24- 9.38
h per cwt	56.00	53.90	51.80
h salted per cwt	56.40-56.83	56.40-56.83	57.30-55.85
h cheddar rindless			
h none	950.79	950.79	950.79
h per tonne	596.50	572.90	572.50
h -prod. Standard	3.40- 3.70	3.90- 3.85	3.70- 3.90
h Large	3.00- 4.10	3.10- 4.10	3.10- 4.10
	per pound	Week ago	Month ago
	p p	p p	p p
h killed sides	45.0- 48.0	44.0- 47.0	42.5- 45.5
(KCCF)			
h forequarters	35.0- 37.0	35.0- 30.0	30.0- 33.0
h	40.0- 43.0	42.0- 45.0	38.0- 38.0
h L-PV	38.0- 43.5	36.0- 42.0	38.0- 41.5
h (weights)	28.0- 37.0	23.0- 37.0	27.0- 35.0
h ewes		13.0- 24.0	
h chickens	25.5- 32.0	29.5- 32.0	20.0- 30.0
h on Eggs Exchange	price set	120 eggs.	† Delivered.

**SUPERIOR  
ING INVESTMENT**

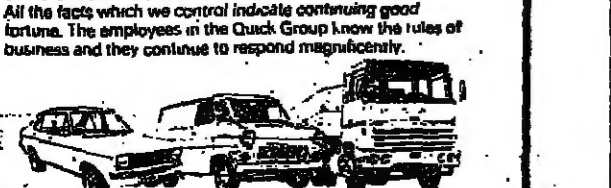
ished Building Company invites offers for part, or all, development of some 30 superior houses and flats. The situated in the West of England close to areas of outstanding natural beauty and within commuting distance of South Wales and the West Midlands. The Company's interest in the site already exceeds £100,000 and includes provision of all mains services. Would consider outright development on a joint venture basis with a larger firm.

Replies in the first instance to:

E.8666, Financial Times, 10, Cannon Street, EC4P 4BY

## Record Half year for Quicks

extracts from the Interim Statement of Mr. Norman Quick, Chairman H & J Quick Group Ltd.  
 The Group turnover for Half year to 30th June 1978 was £16,611,041 compared with £11,780,821 for the same period last year.  
 Trading Profit (before interest) increased by 92% from £271,459 to £522,591.  
 Profit before tax rose by 180% from £127,701 to £356,930.  
 The interim Dividend on Ordinary Stock is increased from 0.415p to 0.508p per share. It is expected to recommend the same dividend as last year making the total for 1978 the £60 million payable under Treasury notes.  
 This excellent result reflects not only the capacity of your Company to market in volume, when given the opportunity, but also the Departmental efficiency throughout the Group.  
 In spite of inflation, overheads as a percentage of turnover, are at the lowest level since 1972.



## OFFSHORE AND OVERSEAS FUNDS

[illegible]

## NOTES

**Quicks for Ford**  **DEALERS**

Copies of the Interim Report are obtainable from the Secretary,  
 J. J. Duck Group Ltd, 860 Chester Road, Old Trafford, Manchester M16 9GU



**HEALEY & BAKER**  
SURVEYORS VALUERS AND  
AUCTIONEERS OF REAL ESTATE  
Established 1820 in London  
29 St. George Street, Hanover Square,  
London W1A 3BG Tel: 01-629 9282  
Sole Agents for the sale of the  
FARM HOUSES, LONDON AND  
SURREY

# FT SHARE INFORMATION SERVICE

HOTELS - Continued

High	Low	Stock	Price	Change	High	Low	Stock	Price	Change
100	100	Grand Hotel	100	0	100	100	Grand Hotel	100	0
100	100	Hotel de Ville	100	0	100	100	Hotel de Ville	100	0
100	100	Hotel de Ville	100	0	100	100	Hotel de Ville	100	0
100	100	Hotel de Ville	100	0	100	100	Hotel de Ville	100	0
100	100	Hotel de Ville	100	0	100	100	Hotel de Ville	100	0

## INDUSTRIALS

High	Low	Stock	Price	Change	High	Low	Stock	Price	Change
100	100	AA&B	100	0	100	100	AA&B	100	0
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100	100	AA&B	100	0	100	100	AA&B	100	0
100	100	AA&B	100	0	100	100	AA&B	100	0
100	100	AA&B	100	0	100	100	AA&B	100	0

## FOOD, GROCERIES, ETC.

High	Low	Stock	Price	Change	High	Low	Stock	Price	Change
100	100	Adams Food	100	0	100	100	Adams Food	100	0
100	100	Adams Food	100	0	100	100	Adams Food	100	0
100	100	Adams Food	100	0	100	100	Adams Food	100	0
100	100	Adams Food	100	0	100	100	Adams Food	100	0
100	100	Adams Food	100	0	100	100	Adams Food	100	0

## HOTELS AND CATERERS

High	Low	Stock	Price	Change	High	Low	Stock	Price	Change
100	100	Hotel de Ville	100	0	100	100	Hotel de Ville	100	0
100	100	Hotel de Ville	100	0	100	100	Hotel de Ville	100	0
100	100	Hotel de Ville	100	0	100	100	Hotel de Ville	100	0
100	100	Hotel de Ville	100	0	100	100	Hotel de Ville	100	0
100	100	Hotel de Ville	100	0	100	100	Hotel de Ville	100	0

## DRAPERY AND STORES - Continued

High	Low	Stock	Price	Change	High	Low	Stock	Price	Change
100	100	Robertson's	100	0	100	100	Robertson's	100	0
100	100	Robertson's	100	0	100	100	Robertson's	100	0
100	100	Robertson's	100	0	100	100	Robertson's	100	0
100	100	Robertson's	100	0	100	100	Robertson's	100	0
100	100	Robertson's	100	0	100	100	Robertson's	100	0

## ELECTRICAL AND RADIO

High	Low	Stock	Price	Change	High	Low	Stock	Price	Change
100	100	A.R. Electronic	100	0	100	100	A.R. Electronic	100	0
100	100	A.R. Electronic	100	0	100	100	A.R. Electronic	100	0
100	100	A.R. Electronic	100	0	100	100	A.R. Electronic	100	0
100	100	A.R. Electronic	100	0	100	100	A.R. Electronic	100	0
100	100	A.R. Electronic	100	0	100	100	A.R. Electronic	100	0

## ENGINEERING, MACHINE TOOLS

High	Low	Stock	Price	Change	High	Low	Stock	Price	Change
100	100	ACE Machinery	100	0	100	100	ACE Machinery	100	0
100	100	ACE Machinery	100	0	100	100	ACE Machinery	100	0
100	100	ACE Machinery	100	0	100	100	ACE Machinery	100	0
100	100	ACE Machinery	100	0	100	100	ACE Machinery	100	0
100	100	ACE Machinery	100	0	100	100	ACE Machinery	100	0

## BUILDING INDUSTRY - Continued

High	Low	Stock	Price	Change	High	Low	Stock	Price	Change
100	100	Irishman	100	0	100	100	Irishman	100	0
100	100	Irishman	100	0	100	100	Irishman	100	0
100	100	Irishman	100	0	100	100	Irishman	100	0
100	100	Irishman	100	0	100	100	Irishman	100	0
100	100	Irishman	100	0	100	100	Irishman	100	0

## CHEMICALS, PLASTICS

High	Low	Stock	Price	Change	High	Low	Stock	Price	Change
100	100	Alco F.P.L.	100	0	100	100	Alco F.P.L.	100	0
100	100	Alco F.P.L.	100	0	100	100	Alco F.P.L.	100	0
100	100	Alco F.P.L.	100	0	100	100	Alco F.P.L.	100	0
100	100	Alco F.P.L.	100	0	100	100	Alco F.P.L.	100	0
100	100	Alco F.P.L.	100	0	100	100	Alco F.P.L.	100	0

## CINEMAS, THEATRES AND TV

High	Low	Stock	Price	Change	High	Low	Stock	Price	Change
100	100	Andie TV	100	0	100	100	Andie TV	100	0
100	100	Andie TV	100	0	100	100	Andie TV	100	0
100	100	Andie TV	100	0	100	100	Andie TV	100	0
100	100	Andie TV	100	0	100	100	Andie TV	100	0
100	100	Andie TV	100	0	100	100	Andie TV	100	0

## CANADIANS

High	Low	Stock	Price	Change	High	Low	Stock	Price	Change
100	100	Bank of Montreal	100	0	100	100	Bank of Montreal	100	0
100	100	Bank of Montreal	100	0	100	100	Bank of Montreal	100	0
100	100	Bank of Montreal	100	0	100	100	Bank of Montreal	100	0
100	100	Bank of Montreal	100	0	100	100	Bank of Montreal	100	0
100	100	Bank of Montreal	100	0	100	100	Bank of Montreal	100	0

## BANKS AND HIRE PURCHASE

High	Low	Stock	Price	Change	High	Low	Stock	Price	Change
100	100	ANZ Bank	100	0	100	100	ANZ Bank	100	0
100	100	ANZ Bank	100	0	100	100	ANZ Bank	100	0
100	100	ANZ Bank	100	0	100	100	ANZ Bank	100	0
100	100	ANZ Bank	100	0	100	100	ANZ Bank	100	0
100	100	ANZ Bank	100	0	100	100	ANZ Bank	100	0

## BEERS, WINES AND SPIRITS

High	Low	Stock	Price	Change	High	Low	Stock	Price	Change
100	100	Allied Brew	100	0	100	100	Allied Brew	100	0
100	100	Allied Brew	100	0	100	100	Allied Brew	100	0
100	100	Allied Brew	100	0	100	100	Allied Brew	100	0
100	100	Allied Brew	100	0	100	100	Allied Brew	100	0
100	100	Allied Brew	100	0	100	100	Allied Brew	100	0

## BUILDING INDUSTRY, TIMBER AND ROADS

High	Low	Stock	Price	Change	High	Low	Stock	Price	Change
100	100	Alfred Brown	100	0	100	100	Alfred Brown	100	0
100	100	Alfred Brown	100	0	100	100	Alfred Brown	100	0
100	100	Alfred Brown	100	0	100	100	Alfred Brown	100	0
100	100	Alfred Brown	100	0	100	100	Alfred Brown	100	0
100	100	Alfred Brown	100	0	100	100	Alfred Brown	100	0

## AMERICANS

High	Low	Stock	Price	Change	High	Low	Stock	Price	Change
100	100	AAA	100	0	100	100	AAA	100	0
100	100	AAA	100	0	100	100	AAA	100	0
100	100	AAA	100	0	100	100	AAA	100	0
100	100	AAA	100	0	100	100	AAA	100	0
100	100	AAA	100	0	100	100	AAA	100	0

## COMMONWEALTH &amp; AFRICAN LOANS

High	Low	Stock	Price	Change	High	Low	Stock	Price	Change
100	100	Commonwealth	100	0	100	100	Commonwealth	100	0
100	100	Commonwealth	100	0	100	100	Commonwealth	100	0
100	100	Commonwealth	100	0	100	100	Commonwealth	100	0
100	100	Commonwealth	100	0	100	100	Commonwealth	100	0
100	100	Commonwealth	100	0	100	100	Commonwealth	100	0

## LOANS (Miscel.)

High	Low	Stock	Price	Change	High	Low	Stock	Price	Change
100	100	Alco F.P.L.	100	0	100	100	Alco F.P.L.	100	0
100	100	Alco F.P.L.	100	0	100	100	Alco F.P.L.	100	0
100	100	Alco F.P.L.	100	0	100	100	Alco F.P.L.	100	0
100	100	Alco F.P.L.	100	0	100	100	Alco F.P.L.	100	0
100	100	Alco F.P.L.	100	0	100	100	Alco F.P.L.	100	0

## FOREIGN BONDS &amp; RAILS

High	Low	Stock	Price	Change	High	Low	Stock	Price	Change
100	100	Antigonish Ry	100	0	100	100	Antigonish Ry	100	0
100	100	Antigonish Ry	100	0	100	100	Antigonish Ry	100	0
100	100	Antigonish Ry	100	0	100	100	Antigonish Ry	100	0
100	100	Antigonish Ry	100	0	100	100	Antigonish Ry	100	0
100	100	Antigonish Ry	100	0	100	100	Antigonish Ry	100	0

S.E. List Premium 40% (based on \$1.7415 per £)

Conversion factor 0.7182 (0.7047)



INDUSTRIALS - Continued

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

PROPERTY - Continued

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

TRUSTS - Continued

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

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MOTORS, AIRCRAFT TRADES

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

FINANCE, LAND, ETC.

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

MINES - Continued

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

FAR WEST RAND

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

SHIPPING

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

SHOES AND LEATHER

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

DIAMOND AND PLATINUM

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

FINANCE

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

NEWSPAPERS, PUBLISHERS

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

SOUTH AFRICANS

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

OVERSEAS TRADERS

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

TEAS

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

PAPER, PRINTING, ADVERTISING

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

PROPERTY

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

RUBBERS AND SISALS

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

INDIA AND BANGLADESH

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

TOBACCO

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

TRUSTS, FINANCE, LAND

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

AFRICA

Stock	Price	%	Div	Yield	Stock	Price	%	Div	Yield
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3
British Steel	225	+1.2	1.2	5.3	British Steel	225	+1.2	1.2	5.3

NOTES

Notes section containing various financial notes, disclaimers, and company information. It includes details about the publication's accuracy, the nature of the data provided, and contact information for the publisher.



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## BP buys £115m. Australia coal stake

By Ray Datter, Energy Corr.

BRITISH PETROLEUM is to pay £115m. for a substantial stake in Australia's coal mining industry as part of its worldwide diversification programme.

Its BP Coal subsidiary has exchanged letters of intent with Uniper Tankships, covering the purchase of half of Uniper's Clutha coal interests in New South Wales. Clutha at present produces 3.5m. tonnes of washed coal a year from 13 mines in the Sydney and Newcastle areas.

Clutha is the fourth largest black coal producer in Australia; it is also the country's second largest coal exporter. About 4m. tonnes of its production is exported to Japan.

The deal, which becomes effective on January 1, gives BP a 50% stake in the coal mining in which it has been seeking an involvement for the past five years.

Like other major oil companies BP has been seeking to broaden its energy base by investing in other industries. BP has three main diversification avenues—its petrochemicals, its New Ventures Unit which has become involved in diving activities and underwater surveying, and coal.

Coal is by far the biggest of BP's interests outside the traditional sphere of oil, chemicals, and shipping. It has, or is seeking, coal reserves in Africa, Canada, South America and Indonesia. On Wednesday, the group confirmed it would speed up its rate of investment in South Africa, aiming to spend £250m. over the next five years, the bulk of it on the development of coal interests. In addition BP has an interest in the American Old Ben Coal Company through its 26 per cent. stake in Sohio. Old Ben Coal has an annual output of more than 9m. tonnes.

### Attractions

James Forth writes from Sydney: Clutha is part of the empire of Daniel K. Ludwig, reputedly the world's richest man. The chairman of Clutha, Mr. Fred Miller, said that planned development spending over the next ten years would require at least \$400m. (£71m.) and that to maintain production levels over the following decade a further \$420m. would be needed.

Both Clutha and BP see the prospects of coal liquefaction and the use of coal as a chemical feedstock as one of the attractions for the deal.

They said the desirability of future Australian participation was recognised and that they had agreed to pursue this objective in due course. Mr. Miller said that this could either be through an issue of stock to the Australian public or through the entry of an Australian company. It would be two or three years before an issue could be considered.

## Seamen's claim lodged

By Alan Pike, Labour Staff

SHIPPING employers yesterday received the National Union of Seamen's new claim for a package of fringe benefits with demands for "captive time" payments for the most significant claim to be considered if all possibility of a seamen's strike is to be removed.

Captive time is the period when men are required on board ship in port but are not actually working. Although the seamen's leaders are aware that a new payment to compensate for this cannot easily be tailored to fit the present pay policy, Mr. Jim Slater, NUS general secretary, said yesterday he was satisfied that the claim "in the form in which we have presented it did not breach the social contract."

The rest of the seamen's demands fall into two parts. They want claims for improved fall back pay, overseas currency allowances, travelling expenses and subsistence allowances dealt with, like captive pay, as immediately issues.

A second set of demands covering pensions, redundancy and medical severance payments should, they suggest, be the subject of future longer-term discussions.

Mr. Gordon Norris, an executive member, emerged from a 24-hour meeting at which the General Council of British Shipping declaring that captive pay was the "cornerstone" of this issue. Mr. Slater used more cautious phraseology, saying that captive pay was not a new issue and the union had told employers that they should remain in session until a final offer was reached.

## Smith may meet Vorster, Kissinger at week-end

BY OUR FOREIGN STAFF

THE PROSPECT hardened yesterday of a meeting in South Africa between Dr. Henry Kissinger, the U.S. Secretary of State, Mr. Ian Smith, Rhodesian Prime Minister and Mr. John Vorster, South African Premier.

Reports from Lusaka suggested that Dr. Kissinger had explained to African leaders the "precise framework" for such a meeting in Johannesburg. The South African radio reported a "strong possibility" that it would take place at the weekend, when Dr. Kissinger is in Pretoria for talks with Mr. Vorster alone.

There was also speculation yesterday at the annual congress of Mr. Smith's ruling Rhodesian Front in Umtali, where he won a unanimous vote of confidence, that he would go to Pretoria at the weekend. The occasion of the rugby test match between New Zealand and South Africa on Saturday might provide sufficient excuse.

But U.S. officials continued to play down the likelihood of an early meeting, insisting that the visit would not be brought into negotiations until the last minute. Nor was there any confirmation from Mr. Vorster's office in Pretoria, while a Rhodesian Government spokesman said: "It is new to me. But in any case we do not announce the Prime Minister's movements in advance."

At the Rhodesian congress the party gave Mr. Smith "full backing to negotiate on its behalf for the future of all the peoples of Rhodesia." The result of the closed debate was reported by an official spokesman, who said it lasted four hours, and described it as "robust."

Mr. Smith had been under severe criticism from some sections of the party before the congress. The vote gives him a mandate to carry out any negotiations, in spite of the criticism of hard-line party members that Dr. Kissinger's initiative was interference in Rhodesia's internal affairs.

● Bridget Bloom writes from Dar-es-Salaam: The problem at this stage seems to centre on Dr. Kissinger's approach to Mr. Smith. The African Presidents are highly doubtful of the value of such a meeting, whilst Dr. Kissinger still seems keen to have one. The Presidents do not believe that Mr. Smith is ready to accept majority rule and therefore the only outcome of a meeting would be to increase Mr. Smith's stature in the eyes of white Rhodesia.

However, in the unlikely event of Mr. Smith agreeing to the principle of majority rule, the African Presidents are worried that Dr. Kissinger's subsequent plans would fall short of African requirements.

## ICFC and accountants blamed in Hilton report

BY MICHAEL LAFFERTY

INDUSTRIAL and Commercial Finance Corporation (ICFC), the financial institution owned by the Bank of England and the big banks, and leading accountants Thomson McLintock, come under strong criticism in a Department of Trade inspectors' report on Roadships, formerly known as Ralph Hilton Transport Services, which went into receivership last year.

The inspectors, in a 250-page report published yesterday, find that the company was not fit to be floated as a public company, principally because of the lack of ability of the Board of directors as a whole. Mr. Ralph Hilton, the company's chairman, is criticised for his lack of integrity, his management style, the general atmosphere surrounding the company, and also because of the state of the accounts department.

"The major responsibility, apart from that of Hilton himself, lay with ICFC who did not exercise reasonable skill and care in sponsoring the flotation," the report states. Taken as a whole, the inspectors find that the prospectus issued when the company went public in November, 1970, "was misleading in that it gave an impression of a well managed company run by an experienced Board and having sufficient working capital for its anticipated programme of expansion."

They conclude that both ICFC and leading accountants Thomson McLintock "failed to exercise reasonable skill and care in the preparation of the prospectus."

They also state that Thomson McLintock failed to exercise reasonable skill and care in advising ICFC. To a lesser extent Wilson Wright, the auditors, in their capacity as joint reporting accountants, also failed to exercise reasonable skill and care in respect of the prospectus. However, the inspectors are not satisfied that any criminal offences were committed, irrespective of whether a prima facie case could be made out against any person or institution in respect of the prospectus.

After the inspectors—Mr. Benet Alan Hynter, QC, and Mr. Ian Irvine, FCA, of accountants Skinner, former financial director of Roadships—began their investigation in 1974, Mr. Hilton pleaded guilty at the Old Bailey to falsification of company accounts, and was fined £2,500 and ordered to pay a similar amount towards the Department of Trade investigation. Mr. John Skinner, former financial director, was given a suspended prison sentence at the same court after admitting conspiracy, falsification of accounts and forgery. The company's former chief accountant, Mr. Robert Withers, gave evidence for the Crown at Mr. Hilton's trial.

In "a number of important respects," the report document issued in May 1971, by Hilton's for the J and H Transport Group, a quoted company which had a turnover of £1.5m., was misleading. The report states: "The actual responsibility apart from the legal responsibility of the Board would be political prostitution and electoral suicide."

It is time that David Steel acquired some political acumen, for at the moment he seems as politically aware as Peter Pan."

During a conference debate on Liberal membership of the Federation of Liberal and Labour Members of the European Community, Mr. Russell Johnson, MP for Inverness, rejected Young Lib calls for a boycott of the direct elections to the European Parliament scheduled for mid-1978.

Young Libs also failed to persuade the assembly to back a call to abandon all controls on immigration and to allow anyone who wished to enter the U.K. to do so.

But the assembly voted for an amnesty for illegal immigrants and urged a relaxation of controls on the entry of U.K. passport holders.

Conference reports, Page 11

## Steel isolates Young Liberals and gains majority backing

BY RICHARD EVANS, LOBBY EDITOR

MR. DAVID STEEL appears to have effectively isolated the Young Liberals from other sections of the party in their criticism of his leadership, although he failed yesterday in an attempt to gain their active support.

The Young Libs, a militant group of party radicals, have been vociferous all week in their criticism of Mr. Steel, but the signs as the Liberal Assembly continues in Llandudno are that they are beginning to isolate themselves from the rest of the party. Members are prepared to give the new leader time to settle down.

The isolation of the Young Libs was underlined yesterday by a reversal of the three key issues of possible future coalition, proposals to boycott direct elections to the European Parliament, and immigration policy.

In addition, there was an angry protest from a group of moderates, who circulated a petition condemning the BBC and ITV for giving so much time to the view of Mr. Steel's speech.

It is obvious that we are not prepared in the present political climate, to enter into any form of coalition. Coalition means an alliance with the Tories which would be political prostitution and electoral suicide."

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Conference reports, Page 11

## Leyland Mini go-ahead

Continued from Page 1

keeping a Mini is that the car has been a vital constituent in maintaining the dealer network. In Europe it has been the essential vehicle in keeping Leyland afloat.

The new Mini's supporters also argue that part of the reason for the failure pointing to low productivity is that the present engine and gearbox will be retained for some time at least. These items are made on ageing equipment, the argument goes.

The investment proposals for revitalising BL's foundries are the key to modernising the group's engines. But a decision on the foundries, expected from the BL Board this week, appears to have been put back.

There has been considerable criticism within the industry of Leyland's failure to act on the foundry plans, despite intensive discussions of the estimated £70m. programme and investigations of sites at Leeds and Wellingborough.

One complication is that the independent foundry industry, which is itself going through a Government-backed re-equipment drive, seems to have persuaded the NEB that the Leyland investments should be planned in conjunction with the modernisation of the rest of the industry.

Details of the foundry industry's modernisation programme are now being drawn up for presentation to Lord Ryder. They show that roughly one-third of the iron castings used in the motor industry are made in-house, while the rest of production is divided between Birminghams which itself accounts for a third, and the other producers.

## No gold for BIS but Swiss banks buy

WASHINGTON, Sept. 16.

THE BANK for International Settlements (BIS), which is known to have bought gold at earlier auctions, was not among the successful bidders at yesterday's third sale of gold by the International Monetary Fund.

Although there were strong indications here that the BIS did bid yesterday, but at a price below the bid price fixed by the Fund, this could not be confirmed. The bid price of \$108.70 was fixed only after more than an hour of discussion which ended in a vote by the directors, released a list of the 14 banks and dealers who made successful bids at or above this price. The BIS was not on it.

The IMF would not disclose how much of the 750,000 ounces of gold each bank had bought, but the list includes a number of concerns which have bought fairly large amounts in the past, including three large Swiss banks. The fact that the BIS did not put in a bid, or at or above the bid price may come as a surprise to some, dealers, who had expected that it would enter at least one fairly high bid because of the interest of some central banks in preventing the gold from falling much further.

The IMF is still trying to persuade the Fund to hold fewer auctions in the future. The matter is likely to be discussed at the annual meeting in Manila at the end of this month.

The banks and dealers on the IMF list were: Swiss Bank Corporation, Swiss Credit Bank, Union Bank (Zurich), Johnson Matthey, Samuel Montagu, N. M. Rothschild, Deutsche Bank (NY), Dresdner Bank (Frankfurt), Bank Leu (Zurich), Mocatta Metals Corporation, National Bank (Athens), T. J. Holt (NY), Republic National Bank (NY), and Sharp's Pirex (NY).

The fund said last night that bids ranged from the bid price to as high as \$114.10, and that of which only \$78,000 were at or above the bid price. A single bid for 106,000 ounces was received, but a fund spokesman said this only satisfied in part. Yesterday's auction raised \$14.1m. for the IMF trust fund for developing countries, and brought the total raised to some \$134m. The last auction raised \$64m. and the gold was sold at a common (or average) price of \$122.05.

Michael Eblenden writes: Before the auction began, the gold price recovered with the market taking an encouraging view of the auction's results.

In London, the price reached a high point of \$115.5 an ounce before slipping on profit-taking to close at \$115.25, a gain of \$3.5 on the day.

## Guest Keen

Guest Keen's half-year profits are about a tenth better than most people expected at \$43.1m. after supplementary depreciation, and the recovery trend is unmistakable. Trading profits over the past three half-years have totalled \$55.3m., \$57.5m., and now, \$70.7m.

Automotive components have been one of the leaders in this turnaround, especially on the Continent, which accounts for about a third of sales. Passenger car output is about 8 per cent. higher in the U.K., where the group benefited from relatively stable production runs over the period. Although steel profits were apparently lower than in the previous year, some of the steelmaking activities, notably hot and cold rolled steel—has picked up earlier than expected, and steel distribution has also turned the corner.

The U.K. fastening industry is not so good, general and civil engineering products remain dull, and some of the overseas territories have been disappointing. But Guest Keen now expects to produce rather more than just a "modest improvement" over 1975's \$59.6m. profit, and there is little doubt that net cash flow will roughly match its capital spending requirements of, say, \$45m. This is welcome news for the shares, which have dropped 8 per cent. over the past week to 275p, where the prospective yield is 7.1 per cent. and the p/e is around 8.

Guest Keen's other pieces of

## GKN updates its forecasts

THE LEX COLUMN

In calling for another 1 per cent. of special deposits the Bank of England seems to be reverting to its behaviour of 1973 when large MLR rises in July and November were also accompanied by special deposit orders. The reference to the banking system's aggregate reserve asset ratio of 15.1 per cent. in August is a little puzzling for this was in fact the second lowest figure of the year. One reason for the call may be to counter the impact of bank holdings of Treasury 11 per cent. 1977 which qualifies as a reserve asset later this month and could add half a point to the reserve asset ratio. Beyond that, the Bank still appears to be trying to push gilt yields higher; the long term yield crept up to 14.99 per cent. last night, and the market will be nervously awaiting a new 15 per cent. plus tap at 3.30 p.m. to-day.

management fees and dealing profits, it can be expected to start chocking off some of the corporate finance business, not only in rights issues. The weakness of sterling is creating further balance sheet pressure—more than half Kleinwort's 11 per cent. rise in advances in January-June can be explained by currency effects. As for U.K. interest rates, there is no automatic bonus from higher rates such as the clearing banks enjoy, and it has been up to the individual merchant banks to gear their money books the right way.

## Stone-Platt Industries

Stone-Platt Industries has pushed up its interim profit by 22m. to £5.1m. Despite the severe slump in world demand for its main product—textile machinery. But with order down by almost a quarter over the past 12 months, its ability to generate further growth is running out of steam.

As it is, the rapid depreciation in sterling has been a great help. With 70 per cent. of U.S. production exported and total overseas earnings (including exports) of over 80 per cent. almost half the growth in profits is due to exchange gains.

The recent Scrag acquisition is finding the going tougher than in the closing months of 1975, though still profitable unlike last year. The other main divisions have moved ahead well, with large propellers suffering from the shipbuilding recession, the only black spot. The company is expecting profits for the year to exceed last year's £13.5m. but beyond that it is dependent on the hesitant upturn in the textile cycle.

Thus the rod mill is coming into production at the moment, and the 400,000 tonne electric arc steel plant, which has been built nearby, should be going at full blast next year. Taken together, these two represent an investment of \$54m., and along with the Brymbo development underline the fact that Guest Keen wishes to maintain some kind of balance with its expanding automotive component interests, which currently account for about two-thirds of profits.

## Merchant banks

Although Schroders reports higher profits for the first half of 1976 the degree of advance is unspecified, and Kleinwort's interim statement (also published yesterday) reveals a profit standstill. A couple of weeks ago Baring Brothers indicated lower half-time profits, and it is plain that, in general, relegated to a footnote. For merchant banking earnings are going nowhere very much this year. The sector index, hitting year's distributable profits of another new 1976 low yesterday, say, 226m. or so. Meanwhile, has lost nearly 40 per cent. since the peak at the end of January. It is broadly in line with 1975. The downturn in the stock market is one obvious depressant factor, apart from the purchases remain on a modest immediate impact on fund scale.

## Blast furnace

Continued from Page 1

Didier, which is one of Europe's leading producers of refractories and fire-proofing products, confirmed last night that it would carry out the necessary repairs without charge. If it should be found that the breakdown was due to faults in the refractory bricks themselves. However, the company also pointed out that until a thorough investigation had been made, no definite reason for the malfunction could be established. Errors in construction, overcapacity usage of the furnace, or weaknesses in other materials, might also be blamed for the incident. Didier is determined that the refractory bricks themselves. By agreement with BSC, Didier and Davy Ashmore (the company responsible for the main design and construction contract of the furnace) an English contractor is now working to make temporary repairs. The repairs will be started up again on September 20, BSC confident that the repairs should hold good until permanent new brickwork can be installed during the first scheduled overhaul of the furnace.

While the work is going on the furnace has been filled with what is called a blank charge—mostly coke with a small quantity of iron ore—and is cooling slowly. The work must be finished and the hot blast restarted before it cools completely. BSC is confident that it will have time to hand. Llanwrnall, No. 3 blast furnace, which cost £27m., is the first blast furnace built by BSC since the corporation was formed nine years ago. It is by no means a giant in terms of world blast-furnace technology. There are a number of furnaces with twice the output—up to 10,000 tonnes a day—operating successfully in Japan and the United States.

When BSC decided to go for a 5,000 tonne a day furnace at Llanwrnall in order to raise the works output to 3.5m. tons a year, the limit of the rolling mills, the design was based upon a Japanese furnace working at Nippon Steel. The brickwork developed by Didier was chosen specifically because of advantages claimed for the Didier system.

Didier produces a refractory brick of an exceptionally high quality which allows a thinner-than-usual lining to be used.

## Weather

U.K. TO-DAY

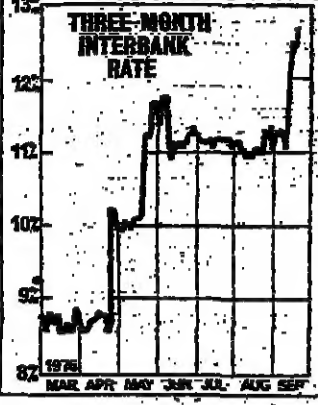
CLOUDY and rain.  
London, Cent. S. and N. England, Midlands, N.W. England, Lakes Cloudy, but mostly dry. Max. 13-14C (54-57F).  
Channel Is., S.W. England, Wales, I. of Man, N. Ireland. Cloudy, occasional rain later. Max. 14-16C (57-61F).  
S.E. England, E. and N.E. England, Borders, Edinburgh, Dundee, Aberdeen, Moray Firth areas. Cloudy, isolated showers. Max. 11-14C (52-57F).  
S.W. E. and N.W. Scotland, Highlands, Argyll, Orkney, Shetland. Cloudy, some sun. Max. 11-14C (52-57F).  
Outlook: Mostly dry and sunny. Some rain in S.  
Lighting-up: London 1941, Newcastle 1951, Glasgow 2000, Belfast 2006.

## BUSINESS CENTRES

Amsterdam	F	15	80	Luxembourg	C	15	54
Algeria	C	16	73	Madrid	C	15	54
Barcelona	C	15	71	Manchester	C	15	54
Bombay	F	15	55	Moscow	C	15	54
Buenos Aires	F	15	55	Munich	C	15	54
Cairo	F	15	55	Nairobi	C	15	54
Calcutta	F	15	55	Paris	C	15	54
Canton	F	15	55	Rangoon	C	15	54
Cebu	F	15	55	Reykjavik	C	15	54
Colon	F	15	55	Rome	C	15	54
Dublin	F	15	55	Sao Paulo	C	15	54
Edinburgh	F	15	55	Seoul	C	15	54
Frankfurt	F	15	55	Singapore	C	15	54
Geneva	F	15	55	Sydney	C	15	54
Hong Kong	F	15	55	Taipei	C	15	54
London	F	15	55	Tokyo	C	15	54
Lyons	F	15	55	Yokohama	C	15	54

## HOLIDAY RESORTS

Algeria	F	15	80	Jersey	C	15	54
Alexandria	F	15	80	Las Palmas	C	15	54
Amman	F	15	80	Locarno	C	15	54
Ankara	F	15	80	Madagascar	C	15	54
Antwerp	F	15	80	Malta	C	15	54
Athens	F	15	80	Mexico	C	15	54
Auckland	F	15	80	Nairobi	C	15	54
Bahia	F	15	80	Rangoon	C	15	54
Batavia	F	15	80	Reykjavik	C	15	54
Bombay	F	15	80	Rome	C	15	54
Buenos Aires	F	15	80	Sao Paulo	C	15	54
Canton	F	15	80	Seoul	C	15	54
Cebu	F	15	80	Singapore	C	15	54
Colon	F	15	80	Sydney	C	15	54
Dublin	F	15	80	Taipei	C	15	54
Edinburgh	F	15	80	Tokyo	C	15	54
Frankfurt	F	15	80	Yokohama	C	15	54
Geneva	F	15	80				
Hong Kong	F	15	80				
London	F	15	80				
Lyons	F	15	80				



Index fell 0.4 to 335.5

news is that it plans to spend \$37.6m. over the next three years in replacing its billet rolling mill at Brymbo. This plant has produced attractive returns since it was acquired from the BSC for £21m. in 1973, and Guest Keen now needs to update its assets. This move means that the group will have spent over £100m. on new steel making facilities in Wales over a period of 8-10 years: the first big jump, at Cardiff, is starting to come on stream at what seems like a favourable stage in the cycle.

Thus the rod mill is coming into production at the moment, and the 400,000 tonne electric arc steel plant, which has been built nearby, should be going at full blast next year. Taken together, these two represent an investment of \$54m., and along with the Brymbo development underline the fact that Guest Keen wishes to maintain some kind of balance with its expanding automotive component interests, which currently account for about two-thirds of profits.

## Prudential

Boosted by the rights issue, the Prudential insurance business is going to contribute a considerably larger portion of distributable profits this year than it did in 1975—or than it is unspecified, and Kleinwort's interim statement (also published yesterday) reveals a profit standstill. A couple of weeks ago Baring Brothers indicated lower half-time profits, and it is plain that, in general, relegated to a footnote. For merchant banking earnings are going nowhere very much this year. The sector index, hitting year's distributable profits of another new 1976 low yesterday, say, 226m. or so. Meanwhile, has lost nearly 40 per cent. since the peak at the end of January. It is broadly in line with 1975. The downturn in the stock market is one obvious depressant factor, apart from the purchases remain on a modest immediate impact on fund scale.

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Tel: 01-404 5661/405 1272/403 8586  
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